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A French Slap at Pope

Socialists Call Visit to Tomb a Provocation

By Charles Trueheart
Washington Post Service

PARIS — The governing Socialist Party delivered a stinging admonition Friday to Pope John Paul II, saying it regretted the pontiff's decision to pray at the grave of a prominent anti-abortion crusader.

"The meaning of such a gesture can only cause discontent and risks encouraging in our country the determination of those who wage a struggle marked by intolerance," the party of Prime Minister Lionel Jospin said in a statement.

The extraordinary rebuke was issued a few hours before John Paul, here for a four-day world youth festival that has drawn more than a half-million Roman Catholic pilgrims, traveled by helicopter Friday to the grave of Jerome Lejeune in Chalo-Saint-Mars, 65 kilometers (40 miles) southeast of Paris.

Vatican authorities described the visit to the grave of Mr. Lejeune, formerly a friend and intellectual soulmate of the Pope's, as private. The cemetery was ringed by some 400 French anti-terrorist forces who kept onlookers and reporters out.

Mr. Lejeune was the founder of "Let Them Live," an anti-abortion advocacy group. Just before his death in 1994 he had been appointed by John Paul to head the Pontifical Academy of Sciences.

A distinguished geneticist, Mr. Lejeune was renowned in scientific circles worldwide for his discovery of the chromosome that causes Down's Syndrome, a form of mental retardation sometimes called mongolism. Thanks in part to his research, many women choose to end their pregnancies when tests show evidence of the genetic defect in the fetus.

The Socialist Party statement said the French right to an abortion, in place since 1975, should be respected, and it condemned a protest at a Paris hospital this week by anti-abortion advocates attending the World Youth Days events.

The Socialist Party joined other abortion-rights supporters who have criticized the Pope's visit to the gravesite.

"The Pope is reopening the debate over abortion that once tore this country apart and that no one wants to revive," said Yvette Roudy, a former Socialist minister of women's rights, before the pontiff arrived in Paris on Thursday.

"The Pope is welcome in France as long as he doesn't meddle in the in-

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Jack Guez/Agence France-Presse

The police kept photographers at a far distance on Friday as the Pope was led to the grave of Jerome Lejeune in Chalo-Saint-Mars, France.

Markets Tremble As Volatility Reigns

Signs of Inflation in Germany Turn Jittery Investors Sour Again

By Erik Ipsen
International Herald Tribune

NEW YORK — Disconcerting inflation news out of Germany sent stock and bond prices lower in Europe and the United States on Friday, reversing powerful rallies earlier in the week and underscoring the increasingly volatile nature of global securities prices.

Earlier, many Asian stock markets weakened as well, although the declines were linked to currency instability in the Pacific region and the slow Japanese economy. (Pages 9 and 13)

Germany stood out as one of the few European and North American markets that could attribute its decline to hard news. Reports showing German import inflation rising at a higher-than-expected 4.2 percent per annum clip in July and consumer-price inflation also exceeding expectations in two German states rekindled fears that the Bundesbank would soon raise interest rates.

The news helped send the DAX index down 168 points, gouging 3.9 percent out of the value of German shares in a single day. The dollar, meanwhile, slid to 1.8189 Deutsche marks in New York from 1.8365 DM on Thursday.

The German central bank had grown increasingly uncomfortable with the weakness of the mark as the dollar rose toward 1.89 DM earlier this month, and while Bundesbank officials had indicated a rate increase was in the offing, no such move has yet occurred.

A rate rise would be bad news for the economy by raising the cost of borrowing for German corporations and consumers. Its prospect was an elixir for the mark, although it sent shockwaves into the other markets.

The dollar's weakness hit not only stock prices in countries like the Netherlands, Sweden and Switzerland where many large companies derive much of their earnings from the United States, but it also sent American bond prices lower by making them less attractive for international investors to hold. The yield on the 30-year Treasury bond rose to 6.66 percent from 6.60 percent.

As a rationale for a rout of the dollar, not to mention the decline in stock prices in Europe and America, a bit of bad inflation news in the German states of Bavaria and North Rhine Westphalia struck many observers as weak. "It is a total over-reaction when we find out that inflation is slightly higher in Germany and markets around the world sell off," said Caroline Meroz, European equity strategist for J.P. Morgan Securities in London.

In the United States, the Dow Jones industrial average fell as much as 177 points before recovering at the end of the session to finish just 6.04 points lower, at 7,887.91. Analysts chalked up Friday's early fall to the three successive 100-point-plus rallies for the Dow on Monday, Tuesday and Wednesday, which they said had taken prices too high.

Others saw no logic greater than the fact that many of the financial world's heavy hitters were on vacation and in the resulting quiet even a whisper of news could move markets. "It is a Friday

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The Dollar

New York	Friday @ 4 P.M.	previous close
DM	1.8189	1.8365
Pound	1.6115	1.592
Yen	118.345	117.225
FF	6.1285	6.1855

The Dow

change	Friday close	previous close
-6.04	7887.91	7893.95

S&P 500

change	Friday @ 4 P.M.	previous close
-1.5	923.55	925.05

Cosmonauts Succeed in Risky Spaceship Repair

After Delays, They Link Mir Cables But Put Off a Test

By David Hoffman
Washington Post Service

KOROLYOV, Russia — Two Russian cosmonauts overcame pressure leaks, dripping water and fatigue on Friday to reconnect electric power cables successfully inside the crippled Mir space station, but they were unable to find a puncture in the damaged hull.

The 3-hour-16-minute expedition inside the airless Spektr research module was hailed by ground controllers as a sign that Russia has not lost its hold in space, nor its reputation for risky improvisation in orbit.

"Nothing can knock us out of the saddle," a weary flight director, Vladimir Solovyov, said to reporters at Mission Control.

Despite the relief that the cosmonauts had completed their repair mission without harm, Russian officials acknowledged that the success of the effort was yet to be tested.

For technical reasons as well as exhaustion, they said they would wait until Monday to check whether the newly installed cables would bring desperately needed electricity to the rest of Mir.

As the flight engineer, Pavel Vinogradov, a space-flight novice, and the commander, Anatoli Solovyov, Russia's most experienced space-walking veteran, groped their way through the repairs, tension filled Mission Control.

The duration of their mission was limited by the seven hours of oxygen in their tanks, and in the first two hours the "internal" spacewalk almost fell apart.

The first problem was a valve on Mir that had not been properly closed, delaying the depressurization of an airlock being used as a staging area for the repairs.

Then, after that was fixed and both cosmonauts had donned their space suits, Mr. Vinogradov heard a "hissing" sound. It was a leak in his left glove. Ground controllers warned urgently, "This is serious!"

More time and oxygen trickled away as the glove was replaced by a spare.

Finally, the hatch to the Spektr module, which was damaged in a collision in June, was opened. Contrary to fears of some experts, no contamination or dangerous broken glass was reported by Mr. Vinogradov, who entered the chamber. He did, however, see some white crystals floating around.

Mr. Vinogradov at one point marveled that the module seemed to be functioning, except for the lack of air.

"This module is working," he said. "The fan is spinning. I can hear the sounds of the working equipment."

Mr. Vinogradov was originally supposed to attach 11 cables, nine of which were operational and two spares. Rus-

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U.S. Presses Russia To Stop Aid to Iran By Missile Experts

By Steven Erlanger
New York Times Service

WASHINGTON — The Clinton administration has been quietly pressing Russia for most of this year to stop its scientists and military institutes from helping Iran develop a new ballistic missile that could reach Israel, Saudi Arabia and American troops in the Gulf, senior administration officials say.

The Russian scientists' assistance has continued, officials said, even though President Bill Clinton raised the matter with the Russian president, Boris Yeltsin, in private meetings in June at the Denver economic summit.

American officials said they had become increasingly frustrated with Russia's inaction, and they noted that Vice President Al Gore complained about the Russians' role in the Iranian project as early as February.

Last month, Mr. Clinton assigned Frank Wisner to be his special envoy for the problem. Mr. Wisner, who had retired from government service after being ambassador to India, returned last week from a visit to Russia, Israel, Egypt and the United Kingdom. He received new assurances from senior Russian government officials that "it is not Russian policy to support Iran's development of a ballistic-missile capacity," a senior White House official said.

According to American officials, the assistance to Iran is being provided by institutes and companies that were an integral part of the state-owned military complex of the Soviet Union, which controlled the design, construction and deployment of all missiles, nuclear or otherwise. Since the breakup of the Soviet Union and the introduction of Russia's semi-market economy, military spending has plummeted, and many of these institutes have sought private contracts and income.

American officials, long concerned that Russian scientists would sell their specialized knowledge to countries like Iraq and Iran, have tried to develop cooperative programs to keep these scientists at work, with salaries.

The assistance of Russian scientists to Iran's missile program has been reported before, but American officials are only now disclosing how persistently, and unsuccessfully, the U.S. government has tried to get Russia to stop it.

Deployment of the kind of mid-range ballistic missile the Americans are concerned about could be between two years and five years or more away, depending on how much help Iran gets from Russia and other countries, like China and North Korea, officials and experts said.

One major concern is that Iran is also

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A Trans-Atlantic Cheer

Many in France See Union Victory Over UPS As a Vindication of European Social Policies

By Anne Swardson,
Washington Post Service

PARIS — The denouement of the United Parcel Service strike has brought not just relief to Americans but satisfaction to the French, particularly to the political left and labor unions.

The UPS accord, in which the Teamsters union won substantial victories in such area as pay raises and full-time jobs, is being portrayed here as the contradiction to American boasts about the superiority of untrammeled capitalism.

Frequently irritated by American claims that low U.S. unemployment and high growth are the result of less regulation and free markets, many French are reveling in the success, as they see it, of American unions over American bosses.

Ever since the summit meeting of the leading industrial nations in Denver in June, when President Bill Clinton and his aides trumpeted the American economic model over the more interventionist European versions, the French have griped that the "liberal" free-market way of doing business is not as great as Americans say it is. In their view, the UPS strike proves that point.

"The issue of this strike has exploded, in the very heart of the beast, the myth of invincibility of liberalism that supports general attacks against workers the world over," said the French postal union, SUD.

The militant leader of the French union Worker Force, Marc Blondel, wrote in a congratulatory letter to John Sweeney, the head of the AFL-CIO, the leading U.S. labor federation: "It is significant to reveal that the noxious effects of ultraliberalism lead, here as elsewhere, to identical reactions for dignity and social progress."

He suggested that Mr. Sweeney come to Paris so the two labor leaders could talk strategy together.

The UPS strike was seen in France as a welcome follow-up to the Denver summit meeting. There, Mr. Clinton pressed for language in the final communiqué praising the United States for its "long recovery and successful job creation."

To President Jacques Chirac of France, the summit meeting was an exercise in tub-thumping, and he was having none of it. "We have our model and we plan to stick to it," Mr. Chirac said.

During the two-week UPS strike, the French press cheerfully pointed out the parallels between the American dispute and French labor actions, which occur frequently here. A key issue, the creation of part-time jobs to the perceived detriment of full-time work, is a preoccupation for French unions. Part-time or flexible work is called "precarious" work, and many union agreements prohibit or limit it.

In both countries, governments play a role in major strikes. When French truck drivers went on strike last fall, for instance, the negotiations were held under the auspices of the Labor Ministry, just as Labor Secretary Alexis Herman oversaw the UPS talks in the

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The election of the Teamsters' president is voided. Page 3

AGENDA

Judge Sets Date For Clinton Case

LITTLE ROCK, Arkansas (Reuters) — A federal judge on Friday set May 26, 1998, as the trial date for Paula Jones's sexual harassment lawsuit against President Bill Clinton.

Judge Susan Webber Wright of U.S. District Court also dismissed some elements of Ms. Jones's complaint. But she left intact Ms. Jones's claim of sexual harassment and emotional distress that she says was inflicted on her by Mr. Clinton in an Arkansas hotel room in 1991.

Mr. Clinton has denied that the incident occurred and had asked Judge Wright to dismiss the lawsuit.

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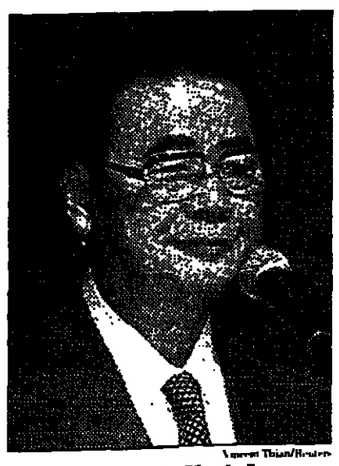
China to Asians: 'You Should Worry, Too'

Japan-U.S. Military Pact 'Utterly Unacceptable'



Vincent Thian/Reuters

Mr. Li speaking in Kuala Lumpur.

By Michael Richardson
International Herald Tribune

SINGAPORE — Seeking to rally Southeast Asian support, China on Friday sharply intensified pressure on Japan to reject moves to have a strengthened military alliance with the United States cover Taiwan.

Prime Minister Li Peng of China, on a visit to Malaysia, said that the Japanese plan was "utterly unacceptable" and amounted to interference in China's internal affairs.

He also said that the Japanese proposal had "aroused suspicion and disappointment not only in China but also in Southeast Asian nations," Agence France-Presse reported from Kuala Lumpur.

Western diplomats said that although no Southeast Asian country had expressed public reservations about the plan to strengthen the U.S.-Japanese security treaty, several — including Malaysia, Indonesia and Thailand — were privately concerned that it was unnecessarily provocative to China and could become a serious source of instability in the Asia-Pacific region.

"For the first time, China is coming out openly to rally support from other Asian countries for its position against Japan and the United States," a diplomat said. "It's an attempt to strengthen pacificist sentiment in Japan and weaken Japanese government policy."

In Beijing, the official People's Daily warned Friday that if Taiwan was included in the scope of the U.S.-Japanese alliance it would "create a serious situ-

See CHINA, Page 7

B-2 Proves Too Touchy to Leave Home

By Bradley Graham
Washington Post Service

WASHINGTON — The U.S. Air Force has canceled plans, for now at least, to station any B-2 Stealth bombers overseas after discovering that moisture and extreme weather cause greater damage than expected to the plane's radar-eluding features, requiring more extensive field maintenance.

The decision marked the latest setback for the Pentagon's premier bomber program, following some disappointing test results and deep cuts in planned production.

It comes at an inopportune time for the aircraft's persistent congressional supporters, who are pushing legislation this year to add nine more bombers to the 21 ordered. The administration remains opposed to expanding B-2 purchases.

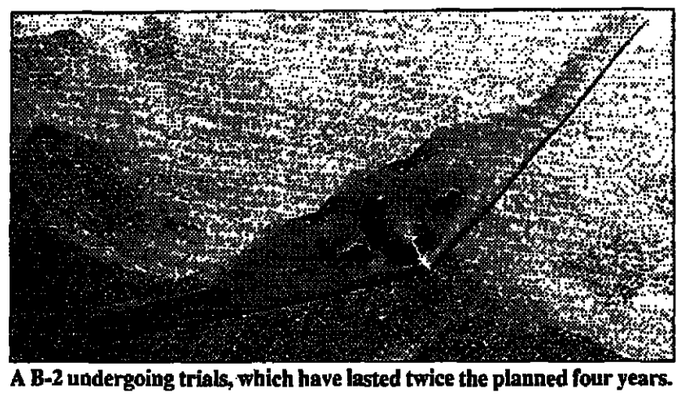
The bomber is supposed to be capable of engaging in nuclear or conventional attack either from its main site at Whiteman Air Force Base in Missouri or from locations overseas. But because its stealthy features are so vulnerable to water, humidity and certain other climatic conditions, air force officials concluded the plane could not be permitted to stay on the ground anywhere unless housed in special, climate-controlled shelters.

This shortcoming was disclosed in a report released this week by the General Accounting Office, the congressional watchdog agency.

"The air force decided it was unrealistic to deploy the B-2 without shelters, as planned, because some low-observable materials are not as durable as expected and require lengthy maintenance, some in an environmentally controlled shelter after each flight," the agency said. "In addition, B-2s must be kept in shelters because of their sensitivity to moisture, water and other severe climatic conditions."

The air force confirmed that it had dropped a previous requirement to be able to base the B-2 overseas and was studying possible changes in stealthy materials and repair processes to address the problem. The service noted that the bombers could still fulfill missions by flying nonstop to overseas targets from Missouri.

The General Accounting report said the total estimated cost of the B-2 program appeared to have stabilized at about $45 billion, which includes development as well as procurement expenses. But it cautioned that costs could increase if the flight test program, which was planned to take four years and already has lasted eight, is extended again beyond next March or if new deficiencies arise.



A B-2 undergoing trials, which have lasted twice the planned four years.

Diplomatic Cable Reveals Milosevic in Uncooperative Mood

By Jane Perlez
New York Times Service

VIENNA — Slobodan Milosevic is known in the Balkans for his dismissive manner, and the Serbian leader was true to form in recent meetings with a U.S. envoy, according to a confidential cable written by a Western diplomat and other accounts of the sessions.

The cable said that Mr. Milosevic showed "absolutely no give" on turning over war-crimes suspects to the international tribunal in The Hague, a key issue for the Clinton administration.

Asked whether he would allow the Organization for Security and Cooperation in Europe to help monitor elections next month in Serbia, Mr. Milosevic is reported to have replied: "No way. What has the OSCE done for me?"

Mr. Milosevic's dialogue — held in English with Richard Holbrooke, the American architect of the December 1995 Dayton peace accords, and scattered with four-letter words — gave the impression that he was reverting to his former belligerent stance toward the West, U.S. and other Western officials said. The two major protagonists of the peace accords met for the first time in a year at Mr. Milosevic's ornate villa in Belgrade 10 days ago.

President Bill Clinton had dispatched Mr. Holbrooke on a four-day tour of Croatia, Bosnia and Serbia to revitalize the sagging accords.

Mr. Holbrooke, who took issue with some of the material in the cable, said that he had won some successes in Bosnia by persuading authorities there to agree to a common telephone code and by getting them to agree to ambassadors.

Mr. Holbrooke said he was gratified that the Muslim leaders of Bosnia had agreed to an ethnic Serb's being posted to Washington as Bosnia's envoy.

But in Belgrade, Mr. Holbrooke was confronted with an unyielding Mr. Milosevic, who, according to several U.S. officials close to the talks, appeared willing to tough it out.

"He was bidding his price up," an administration official said. "He was taking the approach that we need him more than he needs us."

The cable, written after the top American diplomat in Belgrade, Richard Miles, briefed Western envoys there, described a one-way atmosphere at the talks in Belgrade, with Mr. Milosevic stonewalling him at every turn. The administration official described the cable as "accurate."

For example, on the subject of Kosovo, the Serbian province where the administration has repeatedly asked Mr. Milosevic to halt abuses against the majority Albanian population, the Serbian replied, according to the cable: "It is only of interest to a few American congressmen. We will solve it in our own way."

On the overall implementation of the peace accords, Mr. Milosevic said the West had to be more "balanced."

Of Biljana Plavsic, the Bosnian Serb president the administration is supporting, Mr. Milosevic said: "She is very difficult," and went on to say that she deserved the trouble she was in with other Bosnian Serb officials.

The administration official said that Serbia's economy was in desperate straits, and that Mr. Milosevic dressed down Mr. Holbrooke over Washington's preventing Serbian access to international financial institutions like the International Monetary Fund.

But Mr. Milosevic, formerly the president of Serbia, who recently engineered for himself the title of president of Yugoslavia, did not feel he was so politically threatened at home by the weak economy that he needed to make any concessions on war criminals, several Washington officials said.

In drawing the line on handing over war criminals to the tribunal in The Hague, Mr. Milosevic told Mr. Holbrooke that the arrest last month of a Bosnian Serb war-crimes suspect in Bosnia and the killing of another had had "negative consequences," one Washington official said.

One of Mr. Holbrooke's priorities was to find a way to get the Bosnian Serb leader, Radovan Karadzic, who has been indicted on war-crimes charges, out of Bosnia and, preferably, to The Hague. Mr. Milosevic has considerable control over Mr. Karadzic, Washington officials believe, and pledged a year ago to ensure that he disappeared from public life in the Serbian-governed portion of Bosnia.

Mr. Holbrooke, reached at his vacation home in New York, took issue with the reports of Mr. Milosevic's words, saying: "This is ridiculous stuff." He said that Mr. Miles, the U.S. diplomat in Belgrade who had briefed other envoys, had not been at all the meetings and that he would get Mr. Miles "on the carpet" for the way he conducted the briefing. But he did not single out points for dispute.

Promise of Good Life Entices Czech Gypsies

By Peter S. Green
International Herald Tribune

PRAGUE — The old Czech Gypsy stood in the courtyard of a Toronto motel as she beckoned from the television screen. "Romanies," she said, using the name by which Europe's Gypsies prefer to be called, "if you have any money don't hesitate, and come here. If you stay in the Czech Republic you will suffer and be hungry. Come here, and you'll live like lords."

And they came.

Within days of the program's being shown on the Czech Republic's TV Nova earlier this month, Czech Romany organizations said 15,000 Gypsies had asked how they too could emigrate to Canada, as refugees from an unrelenting tide of racism and poverty.

Newspapers predicted a tide of emigration and civic groups reported that dozens of Czech Gypsies were selling their belongings to pay for the trip to Canada.

The Canadian Embassy in Prague reported more than 350 telephone calls daily from Gypsies interested in emigrating. And several dozen Romany families flew to Toronto to seek asylum.

Then the saga turned nasty. The mayor of Ostrava-Marianske Hory, a heavily Romany district in the industrial northeast, announced that she would pay at least two-thirds of the airfare for any Romany family that gave up their city-owned apartment and took a one-way flight to Canada.

In a nearby district, 1,200 residents petitioned their mayor to keep Gypsies, who had lost their homes in recent floods, from moving into their neighborhood, while a government-ordered survey showed that 60 percent of state officials thought Gypsies could never live alongside other Czechs.

After a public outcry over the offer of plane tickets, and criticism from Prime Minister Vaclav Klaus, the Mayor, Liana Janackova, backed down.

And by late last week the threat of a huge tide of emigration appeared to abate, after several dozen Czech Gypsies returned from Canada, some who decided not to stay and some who were deported. The Canadian Embassy in Prague said Friday that about 20 Romanies a day were flying to Canada seeking asylum.

Before the TV program was broadcast, 419 Czechs, mainly Gypsies, had reached Canada and asked for asylum.

Mr. Klaus met last week with Romany leaders and pledged to listen to their complaints, and Romany leaders urged their people to stay home and work out their problems. Mr. Klaus made no promises, but criticized a recent government report on Romany problems and called for concrete proposals for action.

Whether or not more Czech Gypsies flee to Canada, the episode has revealed just how deeply anti-Gypsy sentiment is embedded in a country usually associated with the humanist values of its President, Vaclav Havel.

Two years ago, the United States State Department singled out the Czech Republic in its annual human-rights report after thousands of Gypsies were denied Czech citizenship when Czechoslovakia was dissolved.

Left stateless by a legal loophole, some Gypsies were illegally deported by local officials who threw them out of their state-owned homes and sent them off by train to Slovakia.

The government eventually amended the law, but the Czechs have still to deal with the underlying problems of a substantial Gypsy minority — there are an estimated 300,000 in the country's 10.5 million population — who live largely on the margins of Czech society.

Life for Czech Gypsies is not easy. Many "white" Czechs, called "Gadja" by the mostly dark-skinned Gypsies, cannot abide the different lifestyle of many Gypsies. Many Czech Gypsies live in large family groups, and apart from a tiny Romany middle class, most are barely literate.

Unemployment among Gypsies is more than 70 percent, and they are beset by drink, drugs and petty crime.

Traditionally, early marriage and large families are encouraged, leaving a rash of uneducated teenage mothers, who can never acquire the skills to break out of a vicious circle of poverty, pregnancy and illiteracy. Most Romany children are dumped from an early age into special schools for the learning disabled, and pushed out of the school system when they reach 15 years old.

Czechs generally see Gypsies as thieves, prostitutes and fortune tellers who live on welfare, destroy public housing and yet always manage to find a reason to sing, drink and celebrate.

"Among the poor and marginalized Romanies, many live for the here and now, for today," says Hana Syslova, a scholar of Romany culture. "They don't think about tomorrow. It helps them face their misery, but its also the root of their problems."

Few people will offer Gypsies jobs or housing, bars and restaurants often refuse them entry, and police hesitate to enforce anti-discrimination laws.

"Roms are not a nationality of mentally retarded layabouts," said Klara Samkova-Vesela, a prominent human rights lawyer married to a Czech Gypsy.

"It's because racially motivated crimes regularly go unpunished that Roms have lost all loyalty to this country," she said.

Romany organizations note at least 28 racially-motivated killings of Romanies in the past several years, and last week two Romany families in Slovakia were attacked by skinheads.

Recently, when two non-Romany Czech youths were arrested for threatening to throw Romany children from a moving train, a judge refused to treat the crime as racially motivated.

"The rules are on the books, but few people apply them," said Viktor Dobal, the deputy government minister in charge of minority affairs.

Jacek Szczypinski/Agence France-Presse

KRAKOW HANDSHAKE — Prime Ministers Vaclav Klaus of the Czech Republic (left), Wlodzimierz Cimoszewicz of Poland (center), and Gyula Horn of Hungary at their meeting Friday in Krakow, Poland.

Correction

An article in the Aug. 16-17 editions on the increased air pollution in Paris this summer said that few French cars had catalytic converters. French laws were passed requiring these anti-pollution devices on new gasoline-fueled cars in 1993 and on new diesel cars since 1996. The law did not mandate retrofits.

BRIEFLY

Swedish Warning On French Poultry

STOCKHOLM — Sweden is threatening to stop imports of French poultry if France doesn't improve its salmonella controls.

"As a last resort, we may have to put an end to the imports, and I am prepared to do just that if they don't straighten this out," Agriculture Minister Annika Aahnberg told the Swedish news agency Tidningarnas Telegrambyra.

She said she intended to send a letter Friday to her French counterpart protesting incidents of salmonella-infected French poultry that have been found in Sweden.

The National Food Administration found Thursday that 300 kilograms (660 pounds) of turkey kebabs imported from France were infected with salmonella. *(AP)*

Turk Leader Pegs Late '98 for Vote

ANKARA — Prime Minister Mesut Yilmaz said Friday that he favored late 1998 as the best time to hold general elections, the Anatolian news agency reported.

"I think the most appropriate time in that year would be the autumn," he said, speaking to reporters in the holiday resort of Bodrum. "If the pressure is on, it could be the spring."

Mr. Yilmaz came to office in June at the head of a rightist coalition that wants to keep the Islamists out of power. *(Reuters)*

Bodies Uncovered Under French Silo

BLAYE, France — Rescue workers found more bodies Friday under a shattered grain silo in southwestern France that exploded and collapsed, killing at least nine people.

The rescue workers pulled the body of an unidentified man from under tons of reinforced concrete that crumbled in the Wednesday blast. *(AP)*

Belarussian Orders Russians Released

MINSK, Belarus — A day after a sharp verbal exchange with the Kremlin, President Alexander Lukashenko backed away from his tough stance Friday and ordered four Russian journalists released from jail. A fifth journalist, also working for Russia's ORT television network, was expelled from Belarus. *(AP)*

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HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays. 9:30 a.m. Rev. Douglas Miller, Pastor. T.: 01 43 33 04 06 Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic), MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 10 a.m., 12 midday. 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 36 56. Metro: Charles de Gaulle - Etoile.

RELIGIOUS SOCIETY OF FRIENDS (QUAKERS). Unprogrammed (silent) meeting for worship. Sundays 11 a.m. Centre Quaker International, 114 bis, rue de Vaugirard, 75006 Paris. All Welcome. +33 01 45 48 74 23.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel. 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674. Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 63 Sunday Mass: 8:30 a.m & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. *10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland.* Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 0421-78 648.

BUCHAREST

I.B.C., *Strada Popa Rusu 22.* 3:00 p.m. Contact Pastor Mike Kemper. Tel. 312 3860.

BUDAPEST

I.B.C., meets at Morice Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3632.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-18, 65150 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries, Pastor M.Levey. Call/Fax 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549599.

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TRINITY INTERNATIONAL invites you to a Christ centered fellowship. July-Aug. Service 9:30 a.m. Bloemcampiaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service. Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 96.

ST. PAUL DE VENCE - FRANCE

St. Paul de Vence - France I.B.C., Espace St. Claire, Level "0", Bible Study Sun. 9:30, Worship Sun. 10:45 Tel: (0493) 320-536.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

TRAVEL UPDATE

Club Med Shuts Israeli Resort Early

PARIS (AP) — Club Mediterranee said Friday that it would close its beach resort in northern Israel early this season as a result of recent rocket attacks from Lebanon.

The resort at Ahziv, with cabanas on the Mediterranean about 12 kilometers (7 miles) south of the Lebanese border, was scheduled to close in early October, a spokeswoman said, but now has decided to shut Sunday.

Hyatt to Operate Bucharest Hotel

BUCHAREST (AP) — Hyatt International Hotels said Friday that it would take over one of Bucharest's Communist-era hotels and turn in into a five-star establishment.

This marks the entrance of a major American hotel operator to the Balkan capital. Renovation of the 370-room Hotel Bucharest is expected to cost tens of millions of dollars and last about 14 months, the company said in a statement. It is to open as the Hyatt Regency Bucharest.

Torrential rain swept Hong Kong on Friday, leading to flooding, landslides and traffic chaos, after the territory was brushed by the tail of a typhoon that passed to the south on its way to the coast of mainland China. *(AFP)*

India has pledged financial aid to Kashmir's tourism industry, which is estimated to have lost around $1.6 billion in revenue since the start of an armed separatist campaign eight years ago. *(AFP)*

WEATHER

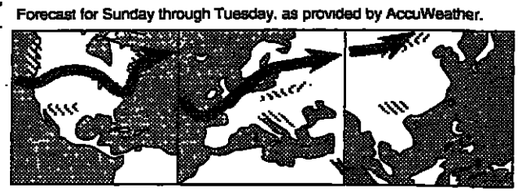
Europe

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F	C/F	C/F
Algarve	30/86	21/70 pc	27/80	19/64 r
Amsterdam	24/75	19/66 sh	27/80	17/62 pc
Andorra	24/75	10/50 pc	25/77	9/48 sh
Athens	24/75	18/64 pc	25/77	16/61 s
Barcelona	28/79	17/62 pc	26/79	19/66 pc
Belgrade	26/79	13/55 pc	25/77	12/53 pc
Berlin	27/80	19/66 sh	29/84	19/66 pc
Brussels	27/80	18/66 pc	28/82	18/64 pc
Budapest	28/82	16/61 pc	27/80	15/59 pc
Copenhagen	23/73	16/61 pc	26/79	19/66 pc
Costa Del Sol	30/86	19/66 pc	29/84	21/70 sh
Dublin	19/66	13/55 r	18/64	9/48 pc
Edinburgh	17/62	14/57 r	18/64	8/46 c
Florence	28/82	16/61 pc	28/82	17/62 c
Frankfurt	28/82	18/64 c	29/84	18/64 pc
Geneva	29/84	17/62 c	27/80	16/61 pc
Helsinki	23/73	12/53 pc	21/70	17/62 c
Istanbul	23/73	14/57 pc	23/73	15/59 sh
Kiev	24/75	14/57 pc	23/73	14/57 c
Las Palmas	24/75	18/64 pc	24/75	19/66 pc
Lisbon	30/86	23/73 pc	27/80	17/62 r
London	26/79	18/64 c	26/79	15/59 c
Madrid	30/87	18/64 pc	34/93	17/62 pc
Mallorca	28/82	18/61 s	28/82	18/64 pc
Milan	29/84	17/62 pc	30/86	19/66 c
Moscow	24/75	16/61 pc	25/77	17/62 pc
Munich	24/75	14/57 c	28/79	18/61 pc
Nice	26/79	19/66 pc	27/80	21/70 c
Oslo	19/66	14/57 pc	23/73	16/61 r
Paris	29/84	19/66 pc	28/82	19/61 pc
Prague	28/82	16/61 c	28/82	16/61 pc
Reykjavik	8/46	7/44 r	9/48	5/41 c
Riga	26/79	17/62 pc	24/75	19/66 pc
Rome	28/79	16/61 pc	26/79	17/62 s
St. Petersburg	24/75	16/61 pc	23/73	18/64 pc
Stockholm	21/70	13/55 pc	23/73	18/64 c
Strasbourg	28/82	19/66 r	31/88	18/64 pc
Tallinn	23/73	14/57 pc	22/71	19/64 pc
Tbilisi	28/82	15/59 pc	29/84	19/66 pc
Venice	27/80	17/62 pc	27/80	19/66 c
Vienna	27/80	17/62 pc	27/80	17/62 s
Warsaw	26/79	13/55 s	25/77	16/61 s
Zurich	28/79	17/62 c	27/80	18/64 c

Middle East

Abu Dhabi	43/109	28/82 s	43/109	29/84 sh
Beirut	34/75	18/64 s	28/79	22/71 s
Cairo	35/95	20/68 s	33/91	20/68 s
Damascus	32/89	11/52 s	34/93	16/61 s
Jerusalem	28/79	13/55 s	28/82	16/61 s
Luxor	42/107	19/66 s	42/107	22/71 s
Riyadh	41/106	21/70 s	40/104	27/80 s

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America

The Northeast and most of New England will have beautiful weather Sunday through Tuesday, but Maine will have a few showers Sunday. Heavy rain will soak the Pacific Northwest. Sunny in the Midwest. Continued hot across the Southwest, but there will be monsoon thunderstorms.

Europe

Warm and pleasant with sunshine from Berlin to Moscow Sunday through Tuesday, but showers and thunderstorms will be scattered across England and France. Northern Italy and the Balkan region will have soaking rains, while the rest of Italy will be sunny and comfortable.

Asia

Sunny, hot and dry in Beijing and most of northeastern China Sunday, but thunderstorms Monday will be followed by some cooler weather. Comfortable with some sun in Tokyo. Warm and humid in Seoul, but it may thunderstorm Tuesday. Heavy rain will soak southeastern China.

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	19/66	11/52 pc	18/64	10/50 pc
Atlanta	29/84	16/61 s	27/80	18/64 pc
Boston	24/75	15/59 pc	22/71	15/59 pc
Chicago	24/75	13/55 s	25/77	15/59 t
Dallas	34/93	17/62 t	31/88	19/66 pc
Denver	31/88	14/57 t	31/88	13/55 pc
Detroit	22/71	12/53 pc	23/73	13/55 pc
Honolulu	31/88	23/73 s	33/91	24/75 pc
Houston	32/89	19/66 t	30/86	19/66 t
Los Angeles	31/88	18/64 pc	33/86	17/62 pc
Miami	32/89	24/75 t	33/91	24/75 t
Minneapolis	26/79	16/61 pc	26/79	16/61 t
Montreal	17/62	14/57 sh	19/66	10/50 pc
Nassau	32/89	24/75 s	32/89	24/75 pc
New York	24/75	16/61 pc	26/79	17/62 pc
Orlando	32/89	22/71 t	32/89	22/71 t
Phoenix	41/106	26/42 t	41/106	28/82 s
San Fran	22/71	13/55 pc	23/73	14/57 pc
Seattle	21/70	13/55 sh	22/71	13/55 pc
Toronto	19/66	9/48 sh	19/66	9/48 pc
Vancouver	17/62	12/53 r	19/66	11/52 sh
Washington	27/80	18/61 s	28/82	17/62 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather All maps, forecasts and data provided by AccuWeather, Inc, © 1997

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	32/89	16/61 s	25/77	9/48 pc
Bali	29/84	21/70 pc	30/86	22/71 s
Bangkok	31/88	24/75 r	31/88	25/77 r
Beijing	38/100	26/79 s	37/99	24/75 s
Bombay	29/82	25/77 r	29/82	25/77 c
Calcutta	31/88	24/75 r	31/88	26/79 c
Chiang Mai	33/91	23/73 r	31/88	24/75 r
Colombo	30/86	24/75 pc	29/84	26/79 pc
Hanoi	31/88	27/80 r	31/88	26/79 t
Ho Chi Minh	31/88	24/75 r	31/88	25/77 r
Hong Kong	30/86	26/79 r	29/84	24/75 r
Islamabad	37/99	26/79 pc	37/99	23/73 t
Jakarta	31/88	23/73 pc	31/88	23/73 pc
Karachi	37/99	28/82 s	35/95	28/82 pc
K. Lumpur	32/89	23/71 pc	32/89	24/75 pc
K. Kinabalu	31/88	23/73 pc	31/88	24/75 pc
Manila	29/84	24/75 r	27/80	24/75 t
New Delhi	35/95	24/75 pc	34/93	26/79 r
Phnom Penh	30/86	24/75 r	29/84	25/77 t
Phuket	31/88	24/75 t	31/88	25/77 r
Rangoon	29/84	23/73 sh	29/84	24/75 c
Seoul	32/89	21/70 pc	32/89	22/71 s
Shanghai	32/89	27/80 sh	31/88	24/75 r
Singapore	31/88	23/71 pc	31/88	23/73 pc
Taipei	32/89	24/75 pc	32/89	24/75 s
Tokyo	31/88	24/75 pc	29/84	24/75 pc
Vientiane	30/86	23/73 r	29/84	23/73 r

Africa

Algiers	28/82	14/57 s	29/84	19/66 pc
Cape Town	18/64	9/48 pc	20/68	9/48 s
Casablanca	24/75	19/64 pc	23/73	18/64 r
Harare	26/79	11/52 s	23/73	13/55 s
Lagos	28/82	23/71 c	28/82	23/73 pc
Nairobi	25/77	9/48 pc	25/77	12/53 pc
Tunis	28/82	19/64 sh	28/82	17/62 pc

Latin America

Buenos Aires	13/55	6/43 pc	17/62	8/46 pc
Caracas	29/84	21/70 pc	29/84	22/71 pc
Lima	20/68	16/61 pc	20/68	17/62 r
Mexico City	26/79	19/66 pc	23/71	12/53 pc
Rio de Janeiro	28/82	21/70 s	29/77	18/64 pc
Santiago	16/61	7/44 pc	18/64	8/46 pc

Oceania

Auckland	13/55	8/46 sh	17/62	9/48 pc
Sydney	21/70	7/44 pc	13/55	4/39 s

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ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	44%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	33	58%

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BRIEFLY

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Burger Recall Grows

25 Million Pounds of Beef Is Pulled Back

By Michael Janofsky
New York Times Service

WASHINGTON — A Nebraska meat-processing plant is closing indefinitely and is expanding its recall of ground beef to 25 million pounds after federal investigators found evidence that far more meat might be contaminated by a hazardous bacterium than originally suspected. Last week, the plant recalled 1.2 million pounds of meat.

Thursday's actions were voluntary, but they were undertaken by the plant's owner, Hudson Foods of Rogers, Arkansas, under an implicit threat from the U.S. department of agriculture. Unless processing and administrative problems were corrected, the department would force the plant to close by withdrawing food-safety inspectors.

Dan Glickman, secretary of agriculture, said at a news conference that this was the largest recall in U.S. history.

Mr. Glickman said federal investigators found evidence this week that hamburger patties left over from production on June 5 — which showed evidence of the potentially deadly bacteria, E. coli 0157:H7 — were added to production the next day.

As a result, the company could not guarantee that any meat produced subsequently would be free of the bacteria. This lead the agriculture department to press for the latest recall.

Every year in the United States, bacteria in meat, poultry, seafood, eggs, fruit and vegetables kill as many as 9,000 people, mostly children and elderly people, and caused millions to fall ill. So far, Colorado accounts for all 17 cases of E. coli poisoning traced to the Nebraska plant, and all of those people have recovered.

Mr. Glickman said: "I believe that the action we are taking today, while tough, is the only option based on the new information our investigators have uncovered. This is a big step, but the evidence indicates we have contained the outbreak."

Because a recall is only voluntary, Mr. Glickman said, he would ask Congress in the fall to give the department the authority to impose a recall and civil penalties against plants that do not comply with federal regulations.

Supermarkets and restaurants that use or sell ground beef that might have been contaminated were removing it and were seeking to reassure customers about the safety of their products.

The tainted meat from the Hudson plant, in the Nebraska town of Columbus, is the most prominent case of the E. coli bacterium since four children died and hundreds of other people became ill in 1993 after eating undercooked hamburgers from Jack in the Box outlets in the Northwest of the United States.

That outbreak led to a vice-presidential commission, which proposed more stringent methods of monitoring hazardous bacteria in food-processing plants. A system of protocols recommended by the commission was a major part of the Clinton administration's effort to improve food safety, a $43.2 million program in the 1998 budget.

The department of agriculture began investigating problems at the Hudson plant after company officials expanded their recall of ground beef to 1.2 million pounds on Aug. 15, the largest such recall at that time, from an initial recall of 20,000 pounds three days earlier.

Hudson made the first recall after public health officials in Colorado identified the E. coli 0157:H7 bacteria in beef patties in late July and on Aug. 12.

But Thomas Billy, administrator of the food safety and inspection service of the agriculture department, said that as federal investigators looked deeper into plant operations they found the plant had weak quality control, inadequate record keeping and a routine practice of returning unused raw meat into the next day's production.

Mr. Billy said that the company had agreed to recall the additional meat, which Mr. Glickman said had been distributed across the country as four-ounce frozen patties to Burger King, Boston Market, Wal-Mart, Sam's Club and Safeway supermarkets.

[Burger King said 1,650 restaurants were initially affected, a quarter of its more than 6,000 restaurants, and 700 still were without hamburger Friday, The Associated Press reported.]

Department officials conceded they did not know how much of the 25 million pounds remained uneaten.

The company's chairman, James Hudson, said in a statement that decisions to expand the recall and close the plant until problems were corrected had been made "out of an abundance of caution to restore the public confidence." Mr. Hudson said the company believed that the source of any contamination had come from the slaughterhouses that supplied the raw, deboned meat and not the plant, where the meat was processed into frozen patties.

New Election Of Teamsters' Chief Ordered

The Associated Press

WASHINGTON — A federal official on Friday threw out Ron Carey's re-election as president of the Teamsters union and ordered a new election following an eight-month investigation into alleged fund-raising abuses by his campaign.

The ruling by Barbara Zack Quindel, a court-appointed election overseer, came four days after the Teamsters declared victory in a strike against United Parcel Service. The decision forces a new election between Mr. Carey and his opponent, James Hoffa.

Mr. Carey narrowly defeated Mr. Hoffa in December. Ms. Quindel declined to certify the results while she probed allegations that Mr. Carey's campaign accepted contributions from the union treasury and employees in violation of federal law.

As a result of a consent decree signed in 1988 to end corruption in the 1.4-million-member union, the election was underwritten with $22 million in public funds and monitored by Ms. Quindel.

The FBI already has charged Martin Davis with using his position as a consultant to both the union and Mr. Carey's campaign to skim money from the Teamsters' general treasury and funnel the cash to Mr. Carey's coffers.

POLITICAL NOTES

P. Stephen Jaffe/Agence France-Presse

RELAXING — President Clinton golfing Friday on Martha's Vineyard with Jack Welch, head of GE.

Politicians Find That Winners In Budget Deal Are Thankful

WASHINGTON — Political parties and congressional candidates have received $35 million since 1995 from six industries that fared particularly well in the recently enacted budget and tax deal, according to a report released by Citizen Action.

In its report, "Tilting the Balanced Budget," the consumer group concludes that special interests such as the tobacco and insurance lobbies continue to use campaign contributions to win favorable treatment in Congress — even as other Americans feel the budget pinch from Washington.

"Members of Congress like to look the other way when it comes to providing special favors, tax breaks and other legislative goodies to some of their biggest domestic contributors," said Mike Gehrke, Citizen Action's research director.

Specifically, the report tracks six key provisions in the recent budget deal and corresponding political contributions by the industries likely to benefit. In every category except the airline industry, Republicans received a larger share of the donations than Democrats.

At the top of the list is the tobacco industry. The group calculated that tobacco companies gave $11.3 million in the past 30 months; the companies also received a promise that they may use a new 15 cent-a-pack tax increase as a credit against the proposed national tobacco settlement. That would amount to a $50 billion tax break. *(NYT)*

White House Walking Fine Line On New Jersey 'Diversity' Firing

WASHINGTON — The Clinton administration will argue before the Supreme Court that a New Jersey school board was wrong to dismiss a white teacher to promote racial diversity on the faculty, but that the principles of affirmative action should be upheld, according to a White House official.

The administration's position in the highly charged case is being articulated in a brief to be filed before the court on Monday, said the White House official, who spoke Thursday on condition of anonymity.

The position, largely consistent with what the administration's lawyers have been saying in public in recent months, is the latest attempt by the White House to find a comfortable position on an issue that has divided Americans for many years.

The case involves the dismissal of a white teacher, Sharon Taxman, by the Piscataway School Board to gain diversity in its Business Education Department. *(NYT)*

Quote / Unquote

Newt Gingrich, the House speaker from Georgia, defending as fair a $50 billion tax credit for the tobacco industry as part of an overall plan: "I think people were misreading the tax provision. We're not cutting a break for the tobacco folks." *(AP)*

AIDS 'Cocktail' Is Failure for Many

By Sheryl Gay Stolberg
New York Times Service

WASHINGTON — Jerry Roemer was supposed to be the new face of AIDS.

For a few fleeting, joyful months last winter, Mr. Roemer was strong and vital. Though he had been infected with HIV for years, the amount of deadly virus in his blood had plunged by 98 percent, the result of a powerful cocktail of new drugs called protease inhibitors that brought him back from the brink of death.

After two years on disability, he returned to his job as a lawyer for the Department of Justice, happily informing colleagues that he had "unretired." Attorney General Janet Reno called him an inspiration. His parents kept their fingers crossed; for Christmas they bought him monogrammed shirts for work.

On Wednesday, Mr. Roemer was buried in a graveyard surrounded by cornfields near his family's Nebraska farm.

Mr. Roemer's death, despite the drugs that many thought would be a magic bullet for AIDS, is not an isolated tale. A year and a half after protease inhibitors came into widespread use in the United States, the medications seem to be failing 25 percent to 30 percent of the 150,000 people who are using them.

For some, the complex regimen of three drugs does not work from the outset, for reasons doctors do not understand. Some people get sick from the combination therapy, which has side effects ranging from diabetes to diarrhea.

But, increasingly, doctors are seeing people like Mr. Roemer — diligent, determined patients who tolerate the drugs and take them religiously, but for whom the benefits simply do not last.

"There is an increasing percentage of people in whom, after a period of time, the virus breaks through," said Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases in Bethesda, Maryland. "People do quite well for six months, eight months or a year, and after a while, in a significant proportion, the virus starts to come back." He puts the failure rate at up to 50 percent.

Verdict Is Out As States Face Harder Part of Welfare Cuts

By Barbara Vobejda and Jon Jeter
Washington Post Service

WASHINGTON — One year after President Bill Clinton signed historic legislation revamping the nation's welfare laws, social-policy experts and state officials around the country say the system is at an important juncture: The real test of whether the law is a success lies ahead.

While more than 1 million Americans have left the welfare rolls in the past year, they have been the most skilled and the easiest to place in jobs, caseworkers and researchers agree.

Now, states must begin reaching deeper into the ranks of those with long-term welfare dependency — adults with very little education or job skills, or an unwillingness to comply with the new requirements.

"The system is still in transition," said LaDonna Pavetti, a welfare researcher at the Urban Institute. "There's a lot of stages we haven't gone through and until we do, we won't know what it's going to look like in the end."

That view is at odds with claims of victory from Mr. Clinton and governors across the country, who point to falling caseloads as evidence that welfare reform has worked. The rolls are down 25 percent since Mr. Clinton took office.

"I think it's fair to say the debate is over," the president said last week.

But even if welfare rolls continue to decline, that may not offer a true picture of whether the law has succeeded not simply in moving people off public assistance, but in helping families lift themselves out of poverty.

Some of the harshest provisions are just taking effect, including a ban on food stamps to 930,000 legal immigrants, effective Friday, and denial of benefits to an estimated 135,000 disabled children.

Critics of the law contend that the harmful impact of the new policies will become more visible in the years to come. Nonetheless, some of the dire predictions put forth when the law was signed have been muted over the past year as states have pursued less-harsh policies than some feared.

Children's advocates had warned that, under the new rules, which ended the federal guarantee of benefits to the poor and required recipients to work, states might embark on a "race to the bottom" — slashing benefits to avoid becoming a magnet for disadvantaged families.

But most states have chosen middle-of-the-road strategies and more-subtle ways of tightening the system.

Many states have gradually reduced the size of the welfare check handed out each month, for example, but only Idaho has done so since the federal reforms were enacted.

Most states have kept spending levels constant, transferring savings from falling caseloads into such services as child care, transportation and job training, according to Jack Tweedie, director of the children and families program at the National Conference of State Legislatures.

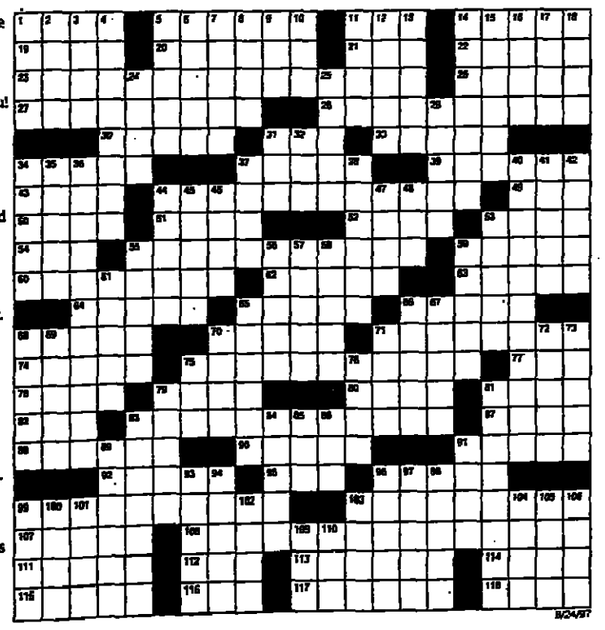
"States did not jet down to that level automatically," he said. "It's clear that there's a real investment in the idea that we have to do more than provide people with cash."

At the same time, many states have made it harder for applicants to get on the welfare rolls, by requiring up-front job searches, for example, in order to discourage families from seeking benefits. States have also demonstrated their willingness to cut benefits to those who refuse to comply with strict new work requirements. And they appear to be serious about enforcing the various time limits being imposed as part of welfare reform.

CLOTHES CALL By Michael S. Maurer

ACROSS
1 Kindergarten stuff
5 Deduce
11 Like some socks
14 Outdoes
19 Loser in an upset
20 Part of the iris bordering the pupil
21 Implant
22 Grammar subject
23 Dancer's apparel?
26 Money substitute
27 Preacher's apparel?
28 Factory worker's apparel?
30 Florida's — National Forest
31 "Cheers" setting
33 Start of many criminal case names
34 The universe on day one
37 Unexpected blows
39 Actor Peter et al.
43 Home, to Hans
44 Psychiatrist's apparel?
49 Brutally dismiss
50 Suffix with disk
51 Kansas town
52 Amount to be raised, maybe
53 A regular type
54 Cable network, briefly
55 Miner's apparel?
59 Burns's partner
60 "Ditto"
62 Send
63 Earthy deposits
64 Conners
65 Saki, really
66 Author Marsh
68 Separates, in a way
70 Now
71 Election times
74 — as a pig
75 Projectionist's apparel?
77 One of the 13 orig. colonies
78 Rhineland town heavily bombed in W.W. II
79 Apt family name in "The Wizard of Oz"
80 Constellation animal
81 "— cost to you!
82 Suffix with special
83 Entomologist's apparel?
87 Silent actress Naldi
88 Highly seasoned stew
90 TV Mr.
91 Joyous hymn
92 Country
95 Govt. intelligence org.
96 Meeting room staple
99 Referee's apparel?
103 Pro athlete's apparel?
107 — friends
108 Lawyer's apparel?
111 Compact matter
112 Elevs.
113 Flower part
114 Mountain known locally as Mongibello
115 Kind of skill or home
116 Luggage marking
117 Restful
118 Barrier breakers

DOWN
1 1956 Peck role
2 Island south of Borneo
3 Plagiarize
4 Free
5 Nero's successor
6 Dizzy
7 Edison contemporary
8 Holler's partner
9 Polar worker
10 Snitch
11 Fed. watchdog
12 Opportunities, so to speak
13 Resided
14 1956 Marilyn Monroe film
15 Collectible Dutch print
16 Hindu garment
17 Letters of rejoicing
18 Library Card Sign-Up Mo.
24 Gumshoes
25 Sealy competitor
29 Ivy Leaguer
31 Fella
32 "— Lay Dying"
34 Castle locale
35 Kind of yoga
36 Mechanic's apparel?
37 One of the Marianas
38 Become suddenly aware
40 Engineer's apparel?
41 Shine
42 Penn and others
44 Certain office worker
45 Surf sounds
46 Composer Siegmeister
47 Old dagger
48 Paper size: Abbr.
53 Highlander's pride
55 Treasure site
56 Day after mercredi
57 Skeletal parts
58 Saint — College of California
59 Stock up
61 Form of Spanish "to be"
65 Continue
66 Sip
67 Intimate
68 Master
69 4x4 name
70 E-Z Pass payment
71 One of the Monkees
72 Nosy one
73 Longtime G.M. chief Alfred
75 Evil, to Yves
76 1884 literary hero, informally
79 Physicist Ohm
81 Lab reports
83 Son's designation, with "the"
84 Hollywood's B. D. and Anna May
85 Certain H.S. teams
86 Good bond rating
89 Yankee
91 Anne McCaffrey's dragon land
93 Don Marquis character
94 Airs
96 Wonderland message
97 "Men in Black" menace
98 River at Lyon
99 Malt liquor yeast
100 South Seas adventure story
101 Delete
102 Onetime athletic org.
103 Lasting effect
104 Belt-tightening
105 1971 Grammy song "— No Sunshine"
106 Child welfare grps.
109 It's got your no.
110 Downed



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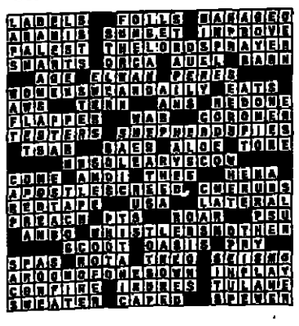
Solution to Puzzle of Aug. 16-17



- **A freak summer flood** lashed southern New Jersey with 13.5 inches (34.3 centimeters) of rain in 24 hours, leaving behind basements full of muck, collapsed overpasses and millions in damages but no deaths or injuries. Communities just inland from Atlantic City were the hardest hit. *(AP)*
- **The number of children attending U.S. schools** will reach a record 52.2 million this year, with the largest increase among teenagers, federal officials said. *(AP)*
- ***The mass murderer Charles Manson*** has been moved to California's highest-security prison after officials said they had caught him dealing drugs. *(AP)*
- **Two elderly men, one in Montana and the other in Washington state,** died from rabies earlier this year after encounters with bats. The deaths have prompted federal health officials to recommend that people be treated for rabies if they have touched bats, whether or not they have been bitten. *(NYT)*

2d Tobacco Executive Sees Cancer Link

The Associated Press

WEST PALM BEACH, Florida — The chairman and chief executive of RJR Nabisco, the maker of Winston and Camel cigarettes, said Friday that he believed smoking played a part in causing lung cancer.

The remark by Steven Goldstone, a former smoker, was one of the strongest statements by a high-level executive of a major tobacco company linking smoking and disease. Other industry executives have acknowledged that cigarettes may play a role in causing cancer.

Mr. Goldstone said he was not a scientist and respected the views of tobacco scientists who say there are gaps in knowledge about the effects of smoking. But he said: "Rightly or wrongly, I have always believed that smoking plays a part in causing lung cancer. What that role is, I don't know, but I do believe it."

Ron Motley, a lawyer for the state of Florida, questioned Mr. Goldstone as Florida prepared its $12.3 billion lawsuit against the tobacco industry. Jury selection is under way in the case.

"He admitted cigarettes caused cancer, outright and without equivocation," Mr. Motley said. "He admitted that in the past mistakes have been made."

Mr. Goldstone would not comment afterward except to say, "I was asked questions by Mr. Motley, and I gave very forthright answers."

His statement followed a deposition Thursday by Geoffrey Bible, chairman and chief executive officer of Philip Morris Cos., who was the first company executive to acknowledge a possible link between smoking and death.

Mr. Bible admitted smoking "might have" killed 100,000 Americans.

Like Mr. Bible, Mr. Goldstone was asked such things as whether advertising focused on new smokers or whether smoking caused fatal illnesses.

Mr. Goldstone said that if scientists discovered a direct link between cigarette smoke and cancer, "these tobacco companies better work like lunatics to find out how to improve their products."

Simpson Lawyer Suggests Talks

The Associated Press

SANTA MONICA, California — O.J. Simpson's lawyer suggested publicly for the first time that he was willing to negotiate with Fred Goldman's legal team about payment of a multimillion-dollar court judgment.

Mr. Goldman's lawyer wanted to see the offer.

"If they've got a proposal they know where we are," the Goldman attorney, Gary Caris, said.

The Simpson attorney, Ronald Slates, said the first step before negotiations could begin would have to be a reduction of the $33.5 million award, which was awarded in a civil suit that found Mr. Simpson responsible for the deaths of Ronald Goldman and Mr. Simpson's former wife, Nicole Brown Simpson.

"There probably has to be a decision at the appellate level on the dollar figure," Mr. Slates said. "You can't start negotiating at $33.5 million. That's so far out of line."

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Goh Lawyer Denounces Singapore 'Show Trial'

Case Against Political Rival Goes to Judge

Reuters

SINGAPORE — A veteran Singapore opposition leader was accused in court here Friday of turning a court battle with Prime Minister Goh Chok Tong into "a kind of show trial" of the ruling party and its policies.

Tom Shields, a British lawyer for Mr. Goh, the plaintiff, suggested that Joshua Jeyaretnam of the Workers' Party, accused of defaming Mr. Goh and 10 other leaders of the People's Action Party, had used George Carman, his lawyer, to paint Mr. Goh's government in the worst light.

The "offensive nature of the cross-examination" of Mr. Goh by Mr. Carman, a fellow British libel expert who even suggested Mr. Goh had lied, should persuade Judge S. Rajendran to award aggravated damages for additional insults, Mr. Shields said.

He demanded 150,000 Singapore dollars ($100,000) in compensation and 50,000 dollars in aggravated damages.

Mr. Carman said any award for the "mere announcement" of a police report "should be treated with the contemptuous damages of one dollar."

He told the judge Mr. Shield's case was "totally untenable."

Judge Rajendran adjourned the hearing and said he would "take some time" to consider his verdict. Mr. Shields told reporters "it could be some weeks" before the verdict was known.

A lawyer for the other 10 People's Action Party leaders suing Mr. Jeyaretnam said they agreed the decision in Mr. Goh's case would also cover theirs. If Mr. Goh won, further hearings would be about damages. If the verdict went to Mr. Jeyaretnam, all the cases would fail.

Mr. Shields attacked the whole style of Mr. Carman's defense.

"It is hard to see the basis of turning this into a kind of show trial," he said in his summation on the trial's fifth day.

He said Mr. Carman's ruthless grilling of Mr. Goh on Tuesday spread notions around the world that Singaporeans lived in a climate of oppression, and he quoted two newspaper reports of the case.

One, in The Times of London, was headlined "QC Speaks of Climate of Fear in Singapore," he said. A QC, or Queen's Counsel, belongs to the top ranks of British attorneys.

He also quoted a Reuters report published on the front page of the International Herald Tribune headlined, "Goh's Motives Questioned in Singapore Defamation Case."

"I am not suggesting these are not fair and accurate reports," Mr. Shields said. "They are, that is the point."

Joshua Jeyaretnam, right, and lawyer, George Carman, at court Friday.

He said Mr. Carman had accused Mr. Goh and the People's Action Party of trying to use "the heavy artillery" of multiple libel actions to bankrupt Mr. Jeyaretnam, 71, and thus disqualify him from Parliament.

Mr. Carman had also accused Mr. Goh and the party of using such actions to suppress the opposition by saying, "People are afraid to put their heads above the parapet and become candidates."

Mr. Shields said Mr. Carman had charged that Mr. Goh paid "lip service" to full democratic principles and had insulted Singapore by suggesting the High Court would "rubber stamp" a political decision.

"We invite your honor to take that into account in fixing appropriate damages," Mr. Shields said.

The case stemmed from an election campaign in which the People's Action Party called Tang Liang Hong, a Workers' Party candidate, an "anti-Christian, Chinese chauvinist" who endangered harmony in multiracial Singapore.

Mr. Tang filed police reports accusing Mr. Goh and his colleagues of criminal conspiracy and lying. Mr. Jeyaretnam, at the last rally before the Jan. 2 elections, in which the People's Action Party won 81 of Parliament's 83 seats, announced Mr. Tang had filed the reports.

Mr. Shields has argued that Mr. Jeyaretnam timed the announcement for maximum political effect, knowing that his audience would know he was accusing Mr. Goh of criminal acts.

The People's Action Party leaders sued Mr. Tang over the police reports. Mr. Tang fled overseas and did not return to defend himself, and Mr. Goh and his colleagues were awarded 8.08 million dollars in damages for defamation. Mr. Goh was awarded 600,000 dollars.

U.S. Envoy Hits Harshly At Violence in Kenya

Reuters

NAIROBI — The United States hit out Friday at corruption and violence in Kenya and warned the country that multilateral donors might not resume aid on the basis of old promises.

Prudence Bushnell, the U.S. ambassador, said in a hard-hitting speech that she observed "disturbing contradictions" between what Kenyans said and did against a backdrop of ominous events.

"Kenya is sending very mixed signals at a time when it is host to ominous events," she said, adding that Kenyan leaders said they did not want violence while clashes were breaking out in Nairobi and on the Indian Ocean coast and elsewhere.

"Kenya's government says it is serious about economic reforms and combating corruption, yet it has chosen to risk economic instability rather than see its promises through to completion.

"We hear commitments to free and fair elections, but the political playing field remains decidedly uneven," she said.

"The organized and cold-blooded terror that has seized Mombasa and coastal areas has robbed families of loved ones, shelter and livelihood," Ms. Bushnell said. At least 42 people have been killed in 10 days of ethnic violence on the coast.

"Tourists are canceling trips to Kenya," she said. "Revenues are dropping. Some investors are leaving. More are postponing business ventures because the IMF has withdrawn and because of Kenya's economic environment."

She said the government had to choose to reduce services or raise taxes to cover a $141 million deficit in this year's budget because aid was blocked following the IMF decision.

The Kenyan shilling strengthened on Friday on news that an International Monetary Fund delegation would arrive in Nairobi on Monday to decide on a date for negotiations on resuming an aid package that was halted July 31 because of high-level graft.

Ms. Bushnell said some Kenyan leaders might believe that such problems were temporary and that once the government won this year's general election Kenya would be welcomed back by multilateral aid donors after it had made "new commitments to old promises."

"It may not necessarily work that way," she said. "Many within and outside Kenya could decide," she said, that "they have 'been there, done that' and don't want to do it again."

Ms. Bushnell criticized politicians who said they backed dialogue but only wanted to talk to certain people on certain issues.

President Daniel arap Moi, 73, in power for 19 years, has promised some political reforms but has refused to talk to an opposition-backed alliance that has spearheaded the drive for change through rallies that began May.

Ms. Bushnell said hope for Kenya lay in leaders who were ready to engage in meaningful dialogue and bring change through peaceful means and understood that the status quo must change.

"When I interpret what is going on in Kenya for my government," she said, "I can provide only one conclusion: The state of this country's economic and political health is worrisome."

She said the United States would not be shy about promoting democracy and would not hold back criticism because of accusations that it was interfering with or opposed to the government.

The United States would speak out against violence in Kenya because hurting people was wrong and could trigger a dynamic in which only Kenya and its people would be the losers.

"We call on the government and opposition alike to respect the rights guaranteed to Kenyans under their constitution and international conventions," she said, adding that the United States awaited an investigation into the killing of 13 people, some reportedly by policemen breaking up rallies, on July 7.

Tokyo Says Normalization Talks With North Korea Will Restart

Reuters

BEIJING— Japan and North Korea on Friday agreed to a new round of talks on the normalization of diplomatic relations after negotiations on the issue failed nearly five years ago, Japanese officials said.

During two days of talks in Beijing, North Korean officials also agreed to allow some Japanese wives of North Korean residents to begin visiting their homeland soon, the Japanese Foreign Ministry said.

Eight rounds of talks on the normalization of ties between Tokyo and Pyongyang ended in November 1992, when the North Koreans walked out after Japan raised allegations that agents of the North had kidnapped Japanese nationals.

A Japanese official said Friday that Pyongyang and Tokyo had agreed to resume talks at the ambassadorial level, but had yet to settle on a place or date.

"There was a meeting of opinion that the ninth meeting should take place at the earliest possible time," the official said. The two sides also agreed that a first group of Japanese spouses living in North Korea would be allowed to visit Japan, hopefully in about a month, and that Red Cross representatives from the two countries would set up a group to make preparations, the official said.

BRIEFLY

Opponent of Hun Sen Flees

PHNOM PENH — A prominent opponent of Second Prime Minister Hun Sen who disappeared and was feared dead following last month's ouster of co-Prime Minister Prince Norodom Ranariddh fled the country on Friday.

Pen Sovann, a highly popular former top official in what became Mr. Hun Sen's Cambodian People's Party, left Cambodia with a niece aboard a Kampuchea Airlines flight to Kuala Lumpur.

He was accompanied to the airport and escorted through immigration and customs by United Nations and U.S. Embassy officials, including Ambassador Kenneth Quinn.

Meanwhile, fighting flared briefly in northwestern Cambodia as thousands of fresh troops were reportedly thrown in to back Mr. Hun Sen's battle to seize the royalists' last base. Gunfire and explosions early Friday shook the royalist stronghold at O'Smach, a day after a fierce battle in which Mr. Hun Sen's men pulled back from the edges of the town. *(AFP)*

Tribesman Killed in Indonesia

JAKARTA — At least one tribesman was shot to death and three soldiers were wounded in clashes between an army patrol and tribal warriors in Indonesia's easternmost Irian Jaya Province on Friday, sources there said.

Simmering tensions boiled over in Timika, a booming town in the shadow of a giant copper and gold mine, after the bodies of two Papou youths were found on a highway in the province.

An army patrol clashed with a group of Papou tribesmen on a road linking the town of Timika to a new complex at Kuala Kenchana, about 20 kilometers (12 miles) farther north. *(AFP)*

China Defends Rule in Tibet

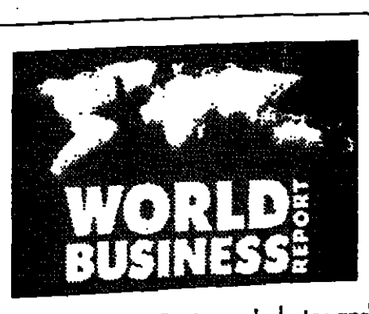
BEIJING — China, under fire from a U.S. congressman who claims it maintains a "death grip" on Tibet, on Friday defended its rule over the restive region, saying Tibetan culture was thriving and its monasteries flourishing.

Scholars attending a seminar on Tibet invoked Chinese history and the writings of the 14th-century Venetian explorer Marco Polo to back Chinese sovereignty over the Himalayan region.

"The fact that the Dalai Lama's political status was granted by the central government is proof that Tibet is an inseparable part of China," the Xinhua press agency quoted Chang Fengxun, a senior research fellow at the Chinese Academy of Social Sciences, as saying. *(Reuters)*

Prominent Afghan Killed

ISLAMABAD, Pakistan — Fourteen people, including the opposition alliance leader, Abdul Rahim Ghafourzai, were killed in Thursday's aircraft crash in the central Afghan town of Bamiyan, according to official Kabul radio, monitored here. *(Reuters)*



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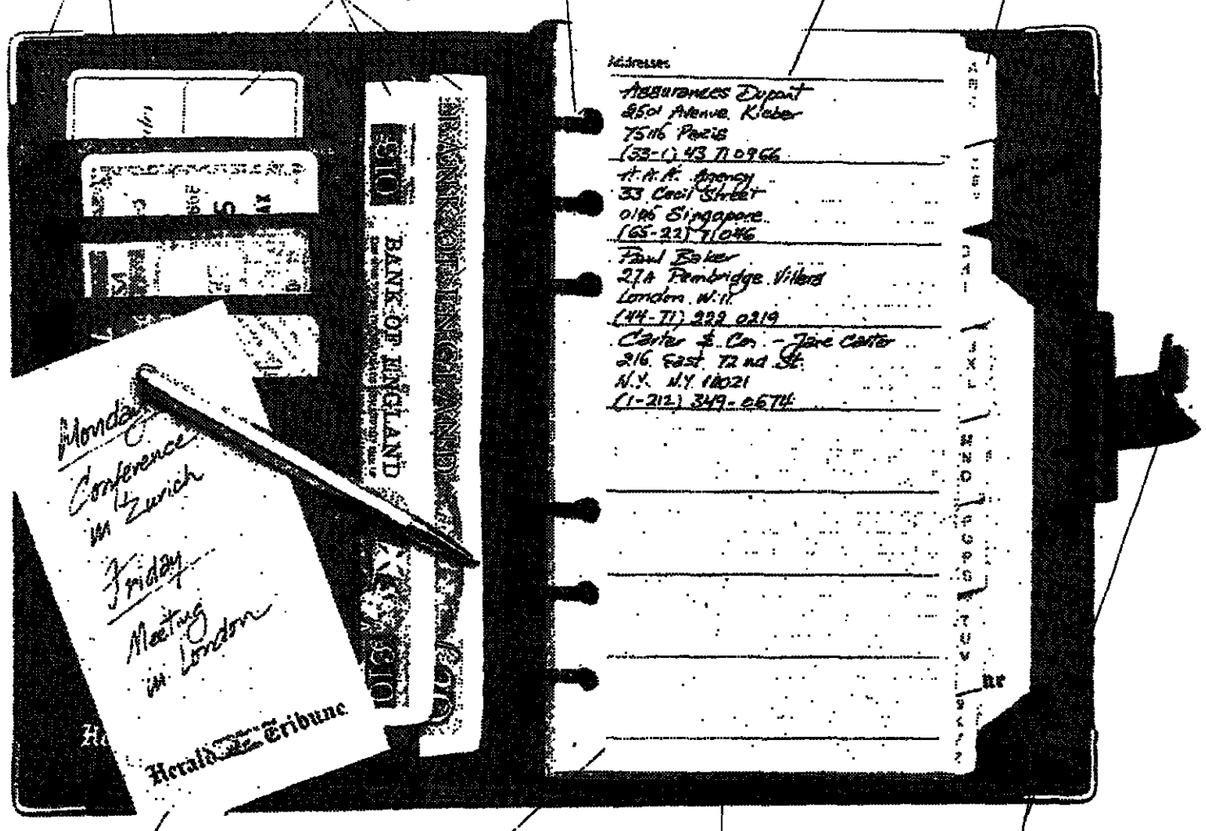

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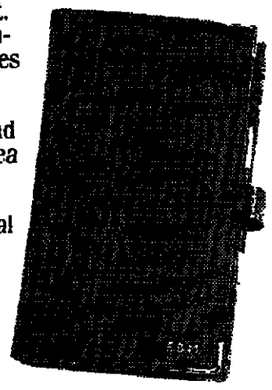

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Herald INTERNATIONAL Tribune

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Isolating Karadzic

Convinced that much of the Dayton agreement cannot take effect while Radovan Karadzic and his supporters dominate the Bosnian Serb republic, NATO is increasing pressure on him to step aside. Wisely avoiding a risky raid on Mr. Karadzic's Pale redoubt, NATO troops on Wednesday strengthened his chief rival, President Biljana Plavsic, by evicting and disarming the pro-Karadzic police force in Banja Luka, the Bosnian Serb region's largest city. Carefully considered military actions like this, together with the diplomacy of President Bill Clinton's two Bosnia envoys, Richard Holbrooke and Robert Gelbard, can isolate Mr. Karadzic and reinforce the Dayton accord in preparation for NATO's planned departure next year.

The arsenal that British NATO troops, backed by American helicopters, seized from Mr. Karadzic forces went well beyond the limited weaponry police forces are allowed under Dayton. They included rocket launchers and assault and sniper rifles delivered in recent days as the latest confrontation between Mrs. Plavsic and Mr. Karadzic mounted. NATO moved in after it was determined that Karadzic loyalists were using the Banja Luka police headquarters for illegal activities, including the tapping of Mrs. Plavsic's phone calls.

During the Bosnian war, Mrs. Plavsic was a loyal Karadzic supporter. But lately she has embraced aspects of the Dayton agreement, denounced Mr. Karadzic for corruption and invited international monitoring of new legislative elections for the Bosnian Serb republic. In most of that republic, she is outmatched by Mr. Karadzic. But with NATO's help, she might now be able to consolidate her position.

Mrs. Plavsic is helped by the fact that the British forces who are chiefly responsible for security in the area have been more willing to enforce the civilian provisions of the Dayton deal since the Labor government took over in London last spring. They took armed action earlier this summer against two major Bosnian Serb war crimes suspects and have provided escorts for refugees returning to their homes.

Meanwhile, Mr. Holbrooke and Mr. Gelbard met with Balkan leaders earlier this month and insisted that they live up to their commitments. Mr. Holbrooke called on the Yugoslav president, Slobodan Milosevic, to distance himself from Mr. Karadzic and facilitate his arrest and delivery to The Hague war crimes tribunal. Accounts of Mr. Milosevic's response vary. But NATO has usefully reinforced Mr. Holbrooke's diplomatic message with its calibrated use of force.

Mr. Karadzic agreed last year under pressure to resign. But he has continued to dominate politics in the Bosnian Serb region. NATO's actions put him on notice that persisting on this course will leave him increasingly isolated and vulnerable to arrest.

— THE NEW YORK TIMES.

Tibet's Suffocation

Representative Frank Wolf, Republican of Virginia, has never been one for the typical junket. His advocacy of human rights and religious freedom has taken him to the Siberian gulag, to Ceausescu's Romania and to war-ravaged Chechnya. Now he is just back from Tibet — the first House member to visit that land, he says, since Chinese forces moved in nearly 40 years ago.

What Mr. Wolf found will not shock anyone who has followed Beijing's brutal repression of Tibetan culture, religion, language and people. We hope, though, that Mr. Wolf's report will awaken some Americans who haven't paid sufficient attention to Tibet's slow suffocation. China has virtually sealed Tibet off, keeping reporters and human rights observers out. Mr. Wolf gained access, along with an aide and a Tibetan-speaker, by joining a tour group and not advertising his profession.

What he found, Mr. Wolf says, is repression more brutal than he witnessed in Soviet Russia or Communist Romania. While Chinese in Beijing have won some measure of liberty, at least in economic affairs, he says, "there is no freedom in Tibet, period." People are watched and afraid.

Yet, when they realized Mr. Wolf and his associates were from America, they were willing to risk imprisonment to describe their plight. Most Tibetans are not seeking independence but only the freedom to speak their language and practice Buddhism.

Mr. Wolf, like many members of Congress of both parties, urges the Clinton administration to make Tibet — and the hundreds of Tibetan prisoners of conscience — an important part of U.S.-China dialogue leading up to and during a planned presidential summit meeting this fall. He also urges U.S. churches, synagogues and citizens to mount the kind of letter-writing, prisoner-adopting campaigns that helped sustain Soviet dissidents. Tibetans don't have the kind of diaspora that kept Soviet Jewry, Armenia, Poland and other captive nations on the U.S. agenda during the Cold War. But they have an equal claim on America's conscience, and their treatment provides a measure of the true nature of the Chinese regime.

— THE WASHINGTON POST.

White House Subway

How is the Clinton White House like a subway? According to Johnny Chung, fund-raiser extraordinaire for the Democrats last year, you put in coins to open the gates. That comment was part of a recent interview with Tom Brokaw of NBC News, in which Mr. Chung seemed to live up to his reputation as a "hustler," the term that National Security Council officials used to describe him when they were trying to keep him out. Mr. Chung visited the White House nearly 50 times because he arranged for almost $400,000 in party donations. He told Mr. Brokaw he paid the money because that is how the system worked.

No less startling was Mr. Chung's allegation that the Democratic Party was not the only player with an appetite for money. He also described how he was, in effect, shaken down for a $25,000 donation to Africare, a charitable organization supported by the energy secretary at the time, Hazel O'Leary. Mr. Chung said he gave the check to a man who said he was an Energy Department official in order to set up a meeting with Mrs. O'Leary and a Chinese petrochemical official. On another occasion, Mr. Chung said he gave $50,000 to a White House aide to help pay for a Christmas reception in the executive mansion, and then landed a meeting with the first lady.

Hillary Rodham Clinton said she had no recollection of such a meeting, and the White House denies that it solicited the money from Mr. Chung. But the NBC News report was filled with pictures of Mr. Chung lounging around the executive mansion like a guest at a resort hotel. There he was in the White House mess hall, or at the president's movie theater, or at the White House bowling alley.

Though the alleged Energy Department solicitation described by Mr. Chung was for a charity, it would still be a violation of federal law to have carried it out. Moreover, if evidence turns out to exist that Mrs. O'Leary knew about the solicitation, this would be yet another concrete reason for Attorney General Janet Reno to appoint a special counsel to investigate. Mrs. O'Leary has acknowledged meeting with Mr. Chung's associate but vigorously denies soliciting a donation or authorizing anyone to do so.

The special prosecutor statute should come into play if only because of the conflict of interest in the Justice Department investigating so many top administration officials. But the law also is triggered whenever there is suspicious activity by a cabinet member. Energy Secretary Federico Pena has described the allegation as serious and has launched an investigation.

The White House says it has tightened up its procedures on visitors. But there can be no cleaning up the record of the Clinton campaign's reckless fund-raising. Nor can there be any guarantee it will not be repeated until Congress enacts a ban on open-ended campaign contributions and cleans up a system that continues to poison politics, deepen the cynicism of Americans and, in Mr. Chung's case, demean the importance of an invitation to visit the White House.

— THE NEW YORK TIMES.

Herald INTERNATIONAL Tribune

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Arafat, the Virtuoso of Veer, Has Done It Again

By Jim Hoagland

WASHINGTON — Yasser Arafat has survived four decades of warfare, Arab conspiracies and even the perils of peacemaking (so far) by being the world's most adept political chameleon. He shifts his direction and his base on a dime, assuring yesterday's enemy that together they can vanquish the ally he just abandoned on a burning deck.

Ask the Husseins, King and Saddam. Ask the Egyptians, the Lebanese and the Libyans whom Mr. Arafat played off against each other in Arab exile politics. And now you can ask the pro-peace Israelis who were the Palestinian leader's political base and negotiating partners for the past four years.

Mr. Arafat returned to form as the virtuoso of veer on Wednesday by publicly embracing and applauding the Palestinian Islamic extremists whom Israel and the United States have demanded he condemn and prosecute as a way to restart peace negotiations.

The stomach-churning photographs of Mr. Arafat hugging Abdel Aziz Rantisi, a leader of Hamas, and applauding others who have called for the destruction of Israel are the manifestation of a new calculation Mr. Arafat wants the world, especially Washington, to understand:

He has nothing to gain from cooperating with Prime Minister Benjamin Netanyahu of Israel. The firm line Mr. Netanyahu has drawn leaves Mr. Arafat with nothing to deliver to the Palestinians. Mr. Arafat must now secure the coalition of Arab governments and radical organizations that have backed him in the past.

But with Mr. Arafat there is always a caveat: Nothing is permanent.

Things are rarely as simple as they seem. If you are a Hamas or Islamic Holy War leader, you have to watch those hands patting you on the back. You have to wonder if Mr. Arafat is embracing you to join forces, or to get close enough to smother you.

Mr. Arafat's aides spun the embrace to Western journalists as a smothering act: Tayeb Abdel Rahim emphasized that none of the radicals who spoke at Wednesday's rally in Gaza had explicitly called for violence against Israel, apparently at Mr. Arafat's insistence. Mr. Arafat is positioning himself, this line implies, to outflank or divide the radicals if Israel comes up with improved peace terms.

It could even be true. Mr. Arafat himself at this moment does not know where his latest run through the rapids of Mideast politics will leave him. He and Hamas are only temporarily useful to each other. If they could wield power, the extremists would toss Mr. Arafat aside as quickly as he would them. Hamas is only one more burning deck for Mr. Arafat to escape.

The State Department has opted to see Mr. Arafat's love-in with the extremists as a covering maneuver for a major move forward.

"We have received assurances that he intends to cooperate more fully on security" in the days to come, says James Rubin, the spokesman for Secretary of State Madeleine Albright. "We will be watching these developments very carefully. Deeds count more than words."

Mrs. Albright is still firming up plans to go to the region the second week in September. She intends to administer "reality checks" to Mr. Arafat and Mr. Netanyahu, to see if they are prepared to proceed with U.S. ideas that would sketch out "a pathway to accelerated final permanent status talks" on the West Bank and Gaza, says an administration official.

After all the bombs, the inflammatory rhetoric and the embrace of the extremists, Mr. Netanyahu still seems not to have written off Mr. Arafat. The day after the Gaza rally, the Palestinian Authority received payment of 30 percent of tax revenues that Israel had withheld since the July 30 terrorist attack in Jerusalem.

This is the big mystery for me. How can Mr. Netanyahu repeatedly accuse Mr. Arafat of directing proxy terrorism against Israelis, of negotiating in bad faith and refusing to keep promises — and still negotiate with him? I recently put that question to Dore Gold, the Israeli ambassador to the United Nations and one of Mr. Netanyahu's closest foreign policy advisers.

"We decided not to break off the peace process as a fraud, or simply to ignore all of Arafat's flaws, when we came to office," Mr. Gold said. "We decided on a third option, which was to take an impaired process and try to make it work." He added: "Arafat is the Palestinians' choice, not ours. We have to work with him. But this thing can only work if you come down on him like a ton of bricks and put security up front as the main driver of the process."

Mr. Arafat's latest veer toward the extremists brings the peace process to the brink. But Mrs. Albright is right to go to the Middle East to see if the Palestinian leader has left himself enough room for one more leap out of the flames he has helped stoke.

The Washington Post.

Shut Down the Propaganda Machine and Arrest the Gangster

By Anthony Lewis

NEW YORK — The United States and its friends are finally getting serious about the Dayton agreements on Bosnia. They are acting against the Serbian gangsters who waged the genocidal war and have obstructed the peace.

That is the significance of the seizure by NATO-led forces of six police buildings in Banja Luka, the largest city in the Bosnian Serb republic. The soldiers found thousands of weapons stockpiled by police under the control of Radovan Karadzic, the former Bosnian Serb president charged with genocide and crimes against humanity.

The Dayton accords went into effect in December 1995. For nearly a year and a half after that peacekeeping forces did nothing to carry out such terms as the right of refugees to return to their homes and the obligation to surrender accused war criminals. Mr. Karadzic, though required by Dayton to leave public life, built up a 3,000-man paramilitary police force and acted more and more openly to block the peace process.

Then, starting last month, came a series of moves that reflected a sharp change in NATO policy. British soldiers arrested one war crimes suspect and killed another who shot at them. Peacekeepers began protecting refugees who returned to their homes, so they would not be driven out by mobs.

The move against the Karadzic police in Banja Luka was the most dramatic sign of the newly interventionist policy. It put NATO squarely on the side of Biljana Plavsic, the elected president of the Bosnian Serb republic, in her struggle with Mr. Karadzic.

Peacekeeping officials had already endorsed one daring move by Mrs. Plavsic. When the Karadzic-controlled assembly planned to remove her from office, she dismissed the assembly and called new elections for October. Under pressure from Mr. Karadzic — including a brutal assault on one judge — the entity's constitutional court held the dismissal unconstitutional. But Mrs. Plavsic, with Western support, ignored that ruling.

The logic of the new NATO policy, and of the situation in Bosnia, requires two further steps. The first is to shut down the Karadzic propaganda machine. The second is to arrest Mr. Karadzic.

Television was a crucial instrument in arousing Bosnian Serbs to attack Muslim and Croat neighbors with whom they had lived in peace, many intermarrying. And television from Pale, the Bosnian Serb capital, is one of Mr. Karadzic's main instruments of power today, pouring out messages of hate. Through relay stations across the Serbian entity, it dominates the media audience.

The time has come for the NATO-led force to shut down those relay stations. That is a hard thing for a believer in the First Amendment to say. But we have no more obligation there than we would have had in post-war Germany to let Goebbels stay on the air.

The need for action on the Karadzic propaganda machine is acute because of the assembly election called by Mrs. Plavsic. If the campaign is dominated by hate messages on Pale television, Mrs. Plavsic, and NATO, may lose their gamble.

Because Mr. Karadzic is protected by his paramilitary policemen, his arrest is the hardest challenge for the peacekeeping force. It is also the most important — and not just because it would make the author of so much evil face justice.

If Mr. Karadzic is at large, Dayton will be at risk: That is the short of it. He has a corrupt economic empire, profiting from control of gasoline and cigarette imports. He controls a mafia. He keeps alive the extreme nationalist dream that led to so much horror in Bosnia.

One speaks of a NATO decision on whether to move on Mr. Karadzic. But it is really President Bill Clinton's decision, and it is one of the toughest he has faced. The Pentagon has been planning a possible operation, but hardly with enthusiasm. If the operation goes wrong, military figures will no doubt leak the word that they advised against it.

But a failure to act would exact a heavy price, probably including in time a renewal of the Bosnian war. The allies have to stay the course, and that means strong action under U.S. leadership. The Economist of London said last month: "If there is a lesson of the past five years, it is that half-hearted, or timorous, Western intervention in Bosnia achieves little."

The New York Times.

Africa: Can a Formula for Stability and Progress Be Found?

By William Pfaff

PARIS — Africa nags for attention, but is largely ignored. Yet the immense horrors committed by Hutu in Rwanda, and then the suffering of the displaced Hutu themselves — women and children and genocidal bands alike fleeing through the great forest of the central Congo, pursued by enemies who showed them no mercy — bear comparison to the slaughters and population upheavals of World War II.

Liberia and Sierra Leone, like Somalia, have existed in conditions of anarchical bloodletting and pillage with little political coherence, a matter of sheer power struggle between warlords, sustained by bands of children bearing Kalishnikovs.

Inconclusive outside interventions take place; implausible elections are held; there are attempts at mediation, but nothing fundamental is solved.

The charitable nongovernmental organizations, the United Nations and the Organization of African Unity struggle to give help, but the nongovernmental groups increasingly doubt the integrity of their own mission, which tends to perpetuate the bloodiest power struggles by sparing the criminals the consequences of what they do.

In Kenya, tribal violence mounts as an apparent result of pre-electoral ethnic manipulations of President Daniel arap Moi, member of a minority ethnic, who plays more powerful groups against one another.

An argument can be made that all this is due to democracy. A nominal democracy, which cleared the consciences of the former colonial powers, and placed the blame for Africa's future condition upon the Africans themselves. This democracy was bestowed on narrow Westernized elites in states whose borders slashed across ancient tribal and ethnic structures. The new leaders of independent Africa nonetheless endorsed these colonial frontiers because they confirmed their own power.

The result, as a South African observer as said, has been that "political parties become vehicles for tribal aspirations." He added: "Leaders survive by constantly playing the tribal card, or by assuming absolute power and smothering dissent. At worst, power in the center cannot be held at all, and carnage ensues."

Democratic votes have given power to majorities who in the traditional order had been dominated by minorities. This was the case in Rwanda and Burundi. The Nilotic Tutsi people, who ruled the Hutu both before and during colonialism, now have now reclaimed power. They did so with the support of the related Nilotic people now in control of Uganda.

By adding the former Zaire to their new empire, however, they have created conditions for a reaction against them. Their conquering army is called "the extraterrestrials" or "the little green men" on the streets of Kinshasa, where bitterness grows over rule by Tutsi, even if the Tutsi are acting through Laurent-Desire Kabila, a Congolese political veteran and member of a non-Nilotic Congolese minority.

Tiny Rwanda's conquest of the huge Congo has ricocheted onto the neighboring Congo Republic, and beyond that has shaken all of francophone Central Africa. The fighting that broke out this summer in Brazzaville, capital of the other Congo, pits a president who belongs to the plurality Kongo group of peoples, who dominate the south, against the former president, from one of the northern groups, who lost an election forced upon him by France in 1992. With new elections in prospect, the two sides are fighting to control the sole multiethnic zone, Brazzaville.

The political and economic ideologies of the West have deepened Africa's problems. The World Bank's annual development report this year says that the majority of sub-Saharan countries are in worse condition today than they were at independence. It does not say that one reason for this is the World Bank. Its early support for large-scale infrastructure and industrial projects, appropriate only to much more sophisticated economies, indebted African states without producing sustainable development. The bank's later structural adjustment policies continued an inappropriate attempt to incorporate African societies into the international economy.

World Bank and IMF policies caused Africa to export its raw materials, undermined African subsistence agriculture and indigenous manufacturing and trade, and turned African societies into markets for imported processed foods and irrelevant consumer goods.

There unhappily is no answer to all this. The South African writer quoted above, Rian Malan, dreams of a giant African federation from the Nile to the Cape, with internal government left to the traditional tribal structures. He thinks this is the ambition of Uganda's Yoweri Museveni. But even if this African federation were achievable, it would only be a return to African feudalism, with lasting subordination of majorities to minorities — of Hutu to Tutsi, in that particular case.

Is this a formula for African stability and progress? But then one must ask, what is?

International Herald Tribune.
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Restore the Immigrants' Hopes

By George Soros

NEW YORK — One year ago Friday, Congress passed, and President Bill Clinton signed, a welfare bill that among other things eliminated public assistance for many legal immigrants.

Although legal immigrants represent only about 6 percent of those on public aid, they took the brunt of the cuts made by the welfare law. Reductions in benefits to legal immigrants represented more than 40 percent of the savings in the new welfare law. Many of those targeted to lose benefits were people who could not support themselves; they were too disabled, too old or too frail to work.

Elderly and disabled legal immigrants panicked when they learned that they could lose their Medicaid or Supplemental Security Income. They feared that they would be kicked out of nursing homes and hospitals. For most of these immigrants, these benefits are the difference between having a place to live and being homeless.

Because of a public outcry, Congress, in the recently passed balanced budget legislation, restored Supplemental Security Income and Medicaid benefits for those elderly and disabled legal immigrants who lived in the United States before the welfare reform bill was signed. But the job of restoring the safety net to legal immigrants is only half finished. The balanced budget legislation did not fix all the problems created by last year's welfare law.

First, Congress should restore federal food stamps to legal immigrants who are scheduled to lose them. Beginning Friday, roughly one million legal immigrants will lose the food stamps they currently depend on. Two-thirds of those households have children. As a result, state and local governments may be pressured to make up at least some of the lost benefits, and soup kitchens and food pantries may have to handle larger numbers of needy people.

Second, Congress should provide a safety net for legal immigrants who arrived after the welfare reform bill was passed. Such legal immigrants will now be denied disability benefits and food stamps, should they need them.

Third, Congress should provide the Immigration and Naturalization Service with the resources and authority necessary to streamline the naturalization of prospective citizens, without compromising the integrity of the process. There are now more than 1.4 million applicants waiting to become American citizens; they can expect to wait an average of 21 months.

The welfare reform law broke the long-standing agreement between future citizens and their adopted homeland. Legal immigrants share the same responsibilities as citizens. They pay taxes. They serve in the military.

The United States has always embraced legal immigrants, who enrich our culture and work hard to make our nation stronger. But just like anyone else, immigrants can sometimes fall on hard times.

Mr. Clinton and Congress should re-establish the contract between legal immigrants and American society. If immigrants come and play by the rules, the government should guarantee help when they need it most. That would be a victory to cheer.

Mr. Soros is chairman of the Open Society Institute and founder of the Emma Lazarus Fund, a charity that helps legal immigrants. He contributed this to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: A Jewish State?

VIENNA — At the forthcoming Jewish Congress at Basle, one of the main questions for consideration by the delegates from nearly every Jewish community in the world will be the advisability of acquiring Palestine from Turkey or, failing that, from a conference of the Great Powers when the Ottoman Empire is in the market and Europe the auctioneer. This means that if Turkey yields to the temptation of Jewish gold to save her from impending disintegration, there will spring up within a measurable distance of time a new nation equipped with modern civilization and culture.

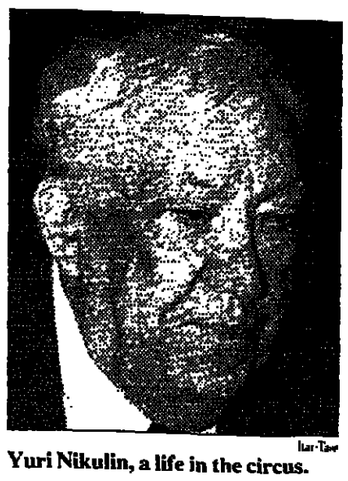
1922: Nationalist Loss

DUBLIN — The heart of the Irish Nationalist Army was struck when a bullet from the gun of a rebel killed Michael Collins at Bandon at 6.30 yesterday evening [Aug. 23]. He was travelling with his usual reckless daring in an open car from Bandon to Clonakility when a volley of shots came from the wooded country overlooking the road. For a half-hour the two groups sniped one another, and just when it was thought that the attackers had retreated, Collins fell backward, with the blood streaming from the back of his head.

1947: A Call to Fast

JERUSALEM — The National Jewish Council, Vaad Leumi, called upon all Jews throughout the world to observe next Monday [Aug. 25] as a day of fasting in protest against the British decision to ship the Exodus refugees back to Germany. The Chief Rabbinate also joined the appeal asking all religious communities to observe the fast between the hours of sunrise and sunset.

In Russia, Tears for Nikulin, 75, a Clown Who Cheered Up Sad Nation



Itar-Tass

Yuri Nikulin, a life in the circus.

By Daniel Williams
New York Times Service

MOSCOW — In the world of performing arts, it is often said that comedy is inferior to tragedy. Perhaps. But this week, in the Russian heart comedy was king.

The country is mourning the death of Yuri Nikulin, a comic film actor and clown in Moscow's Old Circus.

It was hard to find anyone here without fond memories of his performances, impossible to hear criticism.

In the two weeks after he suffered a heart failure during an operation, newspapers and television reported his treatment with the kind of detail usually reserved for a head of state.

When he died Thursday at 75, the doctors who had treated him had tears in their eyes when they made the announcement.

President Boris Yeltsin delivered a somber eulogy, and Mr. Nikulin's rubbery features dominated the front page of newspapers on Friday.

"Beloved Like No Other," said the headline in Moskovskaya Pravda.

The affection showered on Mr. Nikulin reflects in part Russian love of the circus, which is probably Russia's foremost communal experience, especially in Moscow.

Rich or poor, Communist or dissident, Christian or Jew, Muslim or atheist, everyone was taken to the circus as a kid and they now take their kids.

Mr. Nikulin used his skills beyond the single-ring circus on Tsvetnoi Boulevard, which he directed. He became a movie star and then a television personality.

Russians, when asked if they remember his performances from childhood, may say they can't remember but add that they know they've seen him on the big or little screen.

In movies, he created characters that in retrospect seem revolutionary for Soviet times — the smallish sad sack, the charming good-for-nothing in a country where the new Soviet Man was supposed to be an upright and heroic figure.

His comedy seemed especially apt for the Soviet Union under the rule of Leonid Brezhnev, which Russians sometimes refer to now simply as "the Stagnation." In one film, he and some cohorts sing a nonsensical song about rabbits that included the refrain, "We don't care, we don't care."

"He showed that it was O.K. not to try too hard, to drink, to relax," said Sergei Ivanov, a historian. "A Soviet citizen did not have to take himself seriously. Stagnation could be funny."

Mr. Nikulin began his career shortly after World War II. He joined the circus after he was rejected by film studios as too ugly.

Yet, his popularity as a clown — he was inevitably on the losing end of the slapstick — transferred to great movie popularity, sometimes in serious roles.

He is best remembered for two comedies from the 1960s. In one, "The Diamond Arm," he plays a hapless Russian on a tour in Istanbul who gets sucked into a smuggling scheme when he slips on a watermelon rind and exclaims a curse that happens to be a secret code for a criminal gang.

In "Female Prisoner of the Caucasus," he is a member of a ring of bumbling kidnappers who abduct a virtuous Soviet student.

Mr. Nikulin joined the Communist Party during World War II, but Soviet repression turned him against the system. He supported Mr. Yeltsin during his campaign for president last year. That did not stop him, however, from delivering in private the kind of irreverent jokes he had collected.

The last joke he told on television a few weeks ago concerned a meeting between Mr. Yeltsin and his top advisers. "I don't understand our scientists," Mr. Yeltsin says. "We stopped giving them salaries, we don't provide electricity or gas, and yet they come to work."

Anatoli Chubais, the architect of Russia's economic reform, suggests: "Maybe we can charge them admission!"

Mr. Nikulin's funeral will be held Tuesday at his beloved circus.

Reported Rout Of Tajik Rebel Opens Chance To End Strife

By Steve LeVine
New York Times Service

MOSCOW — Tajikistan's strongest rebel leader has suffered a surprising rout, diplomats here say, and his loss may strengthen a recent accord intended to end the five-year-old civil war in the former Soviet republic.

But the collapse of the rebel leader, Makhmud Khudoyberdiev, may have an unintended side effect in the complicated war. Strengthening the hand of competing warlords could provoke new violence in the Central Asian nation.

Tajikistan's volatility has alarmed Russia and the United States, which are worried about the spread of arms and militant Islam in an energy-producing region that may be vital in the next century.

In the last year, regional concern has risen with reports of pockets of popular support for the Taleban, the extremist Islamic insurgents who took control of most of neighboring Afghanistan last year.

Since the Soviet breakup, the civil war and the regional rivalries behind it have divided Tajikistan, a nation of 6 million.

Originally, fighting forced tens of thousands of Islamic-led Tajiks to flee to Afghanistan. The victors carved Tajikistan into fiefs run by warriors to whom the president, Emomali Rakhmonov, now owes his power.

The civil war has pitted those Afghan-based Tajiks against Mr. Rakhmonov's nominal forces. The continual fighting has killed more than 30,000 people and ruined the economy.

But this week, witnesses said, after a weeklong battle with warlords who were aided at least once by Russian jets, Mr. Khudoyberdiev and 40 fighters vanished in the southwest. The reported death of Mr. Khudoyberdiev, 32, a chubby veteran of the Soviet war in Afghanistan, removes for now the most powerful opponent of a Moscow-brokered peace accord that was to take effect this month.

The accord has been troubled from the start, because the government is reluctant to cede any power and, even if he wanted to enact it, Mr. Rakhmonov has little power to do so.

Under the pact, the opposition is to be led in a Commission on National Reconciliation by Said Abdullah Nuri.

A loose schedule had Mr. Nuri arriving earlier this month in Dushanbe, the capital, preceded by an opposition force of 500 men. But on Aug. 9, before the opposition could even get back to town, the tenuous alliance broke up in a series of clashes. The fighting reached a climax 10 days ago, when the factions ganged up against Mr. Khudoyberdiev.

On Aug. 13, Russian jets made a bombing run near Mr. Khudoyberdiev's stronghold, witnesses said, and he fled.

Jean Philippe Arles/Reuters

Cherie and Tony Blair, flanked by Sylviane and Lionel Jospin, toasting Friday in Saint-Martin-D'Oydes.

In French Village, Jospin and Blair 'Talk a Bit About Politics'

Agence France-Presse

SAINT-MARTIN-D'OYDES, France — Prime Minister Lionel Jospin held talks here Friday with his British counterpart, Tony Blair, who is vacationing with his family in this southwestern French village.

Mr. Jospin and his wife, Sylviane, arrived by car from his nearby political stronghold of Cintegabelle and joined Mr. Blair at his vacation residence.

"This is a meeting between friends," Mr. Jospin said as several dozen of the village's 198 inhabitants gathered outside the Blair home. Mr. Blair said they would "talk a bit about politics."

And "about the holidays," Mr. Blair's wife, Cherie, added.

The two couples met at a reception given by the municipality and were to have lunch at the 12th century property where Mr. Blair is staying.

During the reception next to the village war memorial, the Blairs' children, Euan, 13, Nicholas, 11 and Kathryn, 9, were presented with a foal of the Pyrenees Merens breed.

POPE: *Visit to Grave Prompts a Rebuke From French Socialists*

Continued from Page 1

ternal affairs of the republic," she said.

Church and state have been officially separate in France for more than 90 years, and "laicism," or the principle of the secular state, is stoutly defended here. Most French citizens describe themselves as Catholics but few practice their religion.

Mr. Jospin, a Protestant, is due to meet the Pope before he leaves Sunday. John Paul also held talks with President Jacques Chirac, a Catholic and a conservative who is sharing power with Mr. Jospin.

On Thursday, at the foot of the Eiffel Tower, John Paul addressed more than 500,000 young Catholics from around the world. "Dear young people, the church believes in you," he said.

Adulation of the 77-year-old Pope was widespread among the young people there, whose numbers exceeded most expectations. Even more are expected to attend two masses the Pope will celebrate this weekend.

But many of the young pilgrims interviewed by French news organizations say they do not share all the Pope's views and ignore the church's strictures against abortion and contraception.

A poll taken by the Catholic newspaper La Croix indicated that nearly two out of three young French people thought the church had little influence on their lives and had a negative impact on the fight against AIDS and other sexually-transmitted diseases.

MISSILE: *U.S. Presses Russia Over Iran*

Continued from Page 1

trying to develop nuclear, biological and chemical weapons that could be carried by such a missile.

Russian officials deny that there is any government policy or program to help Iran develop a ballistic missile or to transfer missile technology to Tehran. They say the Russian government has adhered to Mr. Yeltsin's 1994 pledge to avoid any further arms sales to Iran. But the Russians have not responded in detail to U.S. evidence that Russian scientists and institutes are helping Iran anyway, American officials said.

The United States, by providing detailed material about what help is coming from which institute, wants Moscow to put an end to the assistance by making sure that contracts are canceled and that scientists with special knowledge do not travel to Iran, the officials said.

The Iranian missile program was the single biggest issue in Mr. Clinton's meeting with Mr. Yeltsin in late June, the officials say. Mr. Gore raised the matter with the Russian prime minister, Viktor Chernomyrdin, in February, and it was also a major topic between Secretary of State Madeleine Albright and her Russian counterpart, Yevgeni Primakov, when they met late last month in Malaysia.

"But despite a range of assurances, the assistance continues," a senior official said.

He described it as aid from "a range of institutes and organizations of various types with the necessary expertise" and said it included important help on navigation, guidance and rocket motors.

Mr. Wisner is expected to return to Moscow in a few weeks for further discussions, leading to another Gore-Chernomyrdin meeting in Moscow in late September.

The State Department spokesman, James Rubin, who confirmed the Wisner trip, said, "We think it's important that the Russians continue to assure us that they are committed to the highest possible nonproliferation standards."

Some experts on the issue, like Henry Sokolski, executive director of the Nonproliferation Policy Education Center and a former Pentagon official in the Bush administration, believe that, given the military background of the institutes and companies providing the help, the Russian government is being disingenuous about its lack of knowledge.

"It makes very little sense to argue that the Russian government doesn't know what's going on," he said.

But another official said: "Are there Russian officials who probably know more than what they're saying, and who are trying to profit from some of these activities? Probably. But the point is that the Russians have made commitments to us. So we're trying to ascertain what they know and help them to stop it."

Iran already has some shorter-range missiles like the Scud B and an extended-range Scud, sometimes known as the Scud C. But what the Americans are concerned about is a large ballistic missile with a range of between 683 miles (1,093 kilometers) and 1,243 miles with a throwweight of about 3,085 pounds (1,402 kilograms), large enough for a crude nuclear warhead or a much cheaper alternative, a biological or chemical one.

The missile being developed is so inaccurate that it can be aimed only at a large target like a city, the officials say, and so can only serve as a "terror weapon."

Mandela's Ex-Wife Called Before Panel

Reuters

CAPE TOWN — South Africa's Truth and Reconciliation Commission said Friday it had subpoenaed President Nelson Mandela's former wife to testify about suspected human rights crimes.

The commission's deputy chairman, Alex Boraine, said at a news conference that Winnie Madikizela-Mandela would be quizzed about the murder of a black youth in the Soweto township in the 1980s, among other things.

He said the subpoena had been signed Thursday.

In the late 1980s, when Mr. Mandela was in prison, her bodyguards, known as the Mandela United Football Club, were accused by Soweto residents of spreading terror in the sprawling township outside Johannesburg.

One of the bodyguards was convicted of murdering Stompie Sepei, 14, and Mrs. Mandela was fined for having kidnapped the youth.

The truth commission, set up by Mr. Mandela, is probing human rights abuses committed during four decades of apartheid.

MIR: *Russians Succeed in Risky Repairs*

Continued from Page 1

sian officials said he attached nine. It was not clear why the others were not connected.

The effort was hampered at first because Mr. Vinogradov said one of the connectors was covered with dripping water. Ground controllers urged him to take out paper towels and wipe it up.

Later, Russian officials expressed puzzlement about the reports of water in the craft, which they believe would have frozen or evaporated under conditions inside the Spektr. Some speculated, however, that it may have been dripping from Mr. Vinogradov's space suit or equipment.

Mr. Solovyov expressed hope that additional battery power as well as solar energy gathered by the Spektr module would boost the Mir's supplies to 75 percent of the capacity it had before it was rammed by an unmanned cargo vessel.

Recently, the Mir has been running at about half its normal capacity, not enough to sustain many scientific experiments, including those that keep American and European astronauts flying as paying passengers.

"It was a super day!" exulted the American astronaut on board, Michael Foale, who waited in the Soyuz escape vehicle while Mr. Vinogradov and Mr. Solovyov worked on the repairs. "We carried out everything we set out to do, and more."

The cosmonauts, wearing space suits and floating weightless, also installed a new airtight hatch, allowing the power to flow through while keeping the module sealed off.

What was originally thought to be the hardest part of the job — attaching the cables — turned out to take only about a third of the time.

The rest was spent inspecting the module, panel by panel, looking for the puncture in the hull of Spektr. The collision drained the Spektr of air. But despite the extensive search, the cosmonauts could not see the hole, although they took videos for future reference.

A spacewalk is planned on Sept. 3 to try to locate the hole.

The cosmonauts also removed some scientific data and computer disks, as well as family photos, left behind by Mr. Foale when he hastily evacuated Spektr in the minutes after the collision.

They jokingly told Mr. Foale that they were going to leave behind his exercise bicycle.

Dima Kvetskoy/Reuters

The mission director, Vladimir Solovyov, in tense concentration Friday at the space center as the cosmonauts worked to save the Mir spaceship.

For the first time since the serious collision with the cargo ship cut the accident-prone Mir's power supply by almost half, the situation on board seemed set to get better.

Yuri Koptev, head of the Russian Space Agency, said the cosmonauts would find out on Sunday and Monday whether the energy supply system was working after the operation in Spektr, a scientific module dark and airless since the accident.

CHINA: *Consternation Over Military Pact*

Continued from Page 1

ation that would endanger Sino-Japanese ties."

Japan's chief cabinet secretary, Seiroku Kajiyama, said in Tokyo earlier this week that the U.S.-Japanese security treaty included Taiwan as well as the Korean Peninsula and the area north of the Philippines, and that revisions to the alliance would cover the same area.

"As there is one China, I don't want to interfere with it," he said. "But we have strong anxieties over a possible military liberation of Taiwan by mainland China."

Beijing has repeatedly threatened to invade if Taiwan abandoned its stated goal of eventual reunification with the mainland and declared independence, or if an outside power supported Taiwanese independence.

Mr. Kajiyama's statement created a furor in both Japan and China.

Prime Minister Ryutaro Hashimoto is scheduled to visit China early next month to try to improve ties. Two smaller parties that support Mr. Hashimoto's Liberal Democratic Party in the governing coalition expressed concern that overt inclusion of Taiwan in the scope of the alliance with the United States could alienate Japan's giant neighbor.

Revisions to U.S.-Japanese military cooperation guidelines under their alliance, due to be finalized in the fall, are expected to give Japan its highest military profile in Asia since World War II.

The revisions stem from a decision by Mr. Hashimoto and President Bill Clinton in April 1996 to strengthen the U.S.-Japan alliance. The decision was made after China put military pressure on Taiwan.

In an interim report on the review of the guidelines, released in June, the United States and Japan did not specify a geographical limit to wide-ranging Japanese cooperation with American forces that could include mine-sweeping and naval blockades.

China suffered under a brutal Japanese military occupation before and during World War II and remains acutely sensitive to any hint of military assertiveness in Tokyo. But diplomats said Friday that Beijing also appeared to be using the specter of a resurgence of Japanese militarism to weaken regional support for the U.S.-Japanese alliance, without which it would be very difficult for Washington to station its armed forces in Asia.

Mr. Li, who will start a visit to Singapore on Sunday, said that the U.S.-Japanese alliance was a "sensitive topic" for China. "Overall, Sino-Japanese relations have been good and we are ready to develop normal and friendly relations with Japan," he said. But China was "vigilant about the attempts by a small number of military elements" to complicate relations, he added.

Islamic Extremists Suspected as 63 Are Killed in Attack on Southern Algerian Village

Agence France-Presse

ALGIERS — An armed gang killed 63 people in a village south of Algiers, hospital sources said Friday.

The overnight attack in the village of Souhane was believed to be the work of Islamic fundamentalists who are waging a bloody war against the government, and who have been blamed for atrocities in villages in the plains to the south of the capital. About a dozen young women were also abducted by the gang, survivors of the attack said.

Families of the victims in the Zmirli hospital in the eastern Algiers suburb of El Harrach said that all but one of the victims, which included men, women and children, were killed on the spot. They either had their throats slit or were shot while trying to flee. A woman in her thirties who had been shot died after the attack.

Ten other villagers were hospitalized after being shot while trying to escape the massacre.

Among them was a 75-year-old man who was in a coma after being beaten with an iron bar, doctors said.

UNION: *Trans-Atlantic Cheer*

Continued from Page 1

United States. Mr. Blondel pointed out another similarity between massive French strikes in December 1995 and the UPS strike: In both cases, a majority of the public supported the strikers.

He said he agreed with the AFL-CIO that "we need an international solidarity to ensure that the American model of job creation is not exported throughout the world."

Labor laws are far more protective in France than in the United States. Firing or laying off workers is much more difficult here, and social charges paid by employers can reach 43 percent of salaries. Other elements — five weeks of vacation, for instance — also make employing French workers very expensive.

To American economists, that explains high French unemployment, but it is not usually seen that way in France. The French press often depicts the United States as a country run by bosses where those with low skills must work three or four jobs to survive and anyone can be fired at will.

Thus the new UPS contract "marked the return to social needs, in their traditional form, to the country of liberalism" in economics, said Le Nouvel Observateur magazine this week.

Actually, said Eric Chaney of the investment firm Morgan Stanley, economic conditions in the two countries are completely different. With unemployment at 4.8 percent, workers in the United States have a far better chance of winning strikes over such issues as part-time work than in France, where the jobless rate is 12.8 percent and the economy barely growing.

"Even if you forget all the ideological discussions," he said, "the big difference is the U.S. economy is overheating. Those are very good conditions for unions."

And, said professor Jean-Paul Fitoussi of the Institute of Political Studies, the debate about whose economic system is better is not only excessively ideological but can shift with the passage of time.

"People have short memories and now that the American economy is growing fast you think it's the best system in the world," he said. "When there is a recession, you will say the contrary. At the end of the 1970s, Europeans were talking about the decline of the American empire."

When the Romans Came to Britain

A Rich Celtic Art Flourished, Briefly, Until 43 A.D. and All That

International Herald Tribune

LONDON — It was bound to happen. In the midst of generalized soul-searching, Britain is investigating its identity and few will like the outcome. Britain as one country is a myth that never existed prior to the Union Act of 1707 and the British past as part of a single Celtic world is a Victorian invention.

Such is the argument of "Britain and the Celtic Iron Age" by Simon James and Valery Rigby, one of three illustrated books carrying the imprint of the British Museum that have just come out. And such is, beyond doubt, the picture that emerges from the newly renovated displays in the museum's Celtic Room and Roman Room. Not least among the surprises is the paucity of hard facts concerning Britain prior to the Roman invasion launched in 43 A.D. by Emperor Claudius. One glance at the Celtic room is enough to convince that until the early first century B.C. there was not much to see, apart from some very indifferent earthenware pots.

How a new art with its swirling abstract designs of breathtaking beauty came about in the first century B.C. has yet to be found out. Suddenly its motifs appeared on every type of object, from cremation buckets, such as the cylindrical wooden vessel covered with bronze sheet worked in repoussé that was found at Aylesbury in 1886, to the marvelous gold torques from Snettisham in Norfolk.

Not that figuration was banned. The handles of the bucket are cast in the shape of angular warrior heads, and on the upper band of the vessel confronted goats are so stylized that Ian Stead in the book on "Celtic Art" describes them as "fantastic animals." But the focus was on line and rhythm, not on subject matter.

Color came in a century later, along with a new tendency to symmetry. Opaque red enamels fill in the cavities around the designs, the masterpieces of the genre being a harness fitting from a hoard at Polden Hills, Somerset, and a shield recovered from the Thames at Battersea.

What happened to that culture when the Romans arrived is uncertain. The only written records are those left by writers from the Roman Empire full of contempt for the British barbarians. Within six years of the 43 A.D. landing, the Romans founded a colony at Camulodunum (Colchester), settled by retired soldiers. Land was seized from the

SOUREN MELIKIAN

locals, the daughters of Boudicca, queen of the Iceni, were raped, the peasantry was pressurized by the Roman money lenders.

A furious uprising broke out. The Iceni and the Trinovantes, about whom little is known other than these Latin names, swept across the colonizers' settlements, leaving layers of burnt debris in Colchester, London and Verulamium, now Saint Albans, which bear out the writings of Tacitus and Dio Cassius.

With visible admiration for military superiority, T.W. Potter notes in the third British Museum book, "Roman Britain," that "discipline and experience had its way." A Roman force of 10,000, we hear, defeated the Britons, whose casualties were 10 times that number. Queen Boudicca killed herself.

Eager to leave the imprint of civilization on their new lands, the occupiers brought in imperial images. The head of a life-size bronze statue of Claudius was found in 1907 at Rendham, Suffolk, in the River Alde, most probably in the very place where it was thrown after being wrenched off the body in the course of some other furious rebellion. The emperor's flapping ears, big high-bridged nose and thin arched eyebrows could be those of an actor cast for the lead role in a movie on the Mob.

Not that the mix of lachrymose sentimentality and ferocity conveyed by the 22-inch (55-centimeter) bronze figure of Nero (54-68A.D.) makes his successor more engaging. The emperor wears a cuirass with a scrolling design of flowers inlaid with silver, copper and black niello, which somewhat mars the intended martial effect.

Life must have been strange in the Roman-occupied land. Society women held parties, indifferent to the turmoil around. An extraordinary find of wooden tablets preserving private letters in black lettering was made near Hadrian's Wall on the site of the Roman fort of Vindolanda. One of these is from Claudia Severa, the commander's wife, to Sulpicia Lepidina, the wife of the commander of a neighboring fort: "For my birthday party I send you my warm invitation to come to see us." Was Claudia ever aware of that other message found at Vindolanda, snappily ordering the recipient to "turn that slave girl into cash"? We shall never know.

THE military adjusted to their faraway posting with varying success. Some strutted truculently. A gilt bronze statuette of Hercules, wearing the lion skin, his clenched fist raised, was found near Birdoswald on Hadrian's Wall. One imagines some legionnaire smugly contemplating his role model. Others felt homesick. A tribune stationed at Maryport, Cumbria, pined for his city, Saldae, now Bejaia in Algeria. He dedicated an altar "to Fortune the Homebringer."

Love did not lose its rights. A prudent Greek took along his openwork gold ring with an inscription in Greek capitals saying "love charm of Polemios."

Some Britons collaborated with the occupying force. A bronze helmet of Roman design is decorated with abstract Celtic motifs. Potter reckons that it belonged to a man from the auxiliary force.

Here and there, suggestions of a new art in the making at the crossroads of two cultures went no further. A larger than life-size head of Mercury illuminated with silent laughter, all in the eyes, was found in the Romano-Celtic temple at Uley in Gloucestershire. Potter calls it provincial work. It is a masterly sculpture, miles above the pedestrian banality of Roman realism. A female head from Towcester in Northamptonshire, with big staring eyes and a touch of peeve to its lips, seems to herald the humor of medieval art, which came in 1,000 years or so later.

Society in all its strata yearned for new ideas. Religious creeds from the East were spreading. A silver statuette of the Egyptian god Harpocrates, found in the Thames in 1825, is fitted with the attributes of other gods as well — confusion has always been the hallmark of intellectual decadence.

Mithraism was similarly modified beyond recognition. In a Mithraeum uncovered in London in 1954 and reconstructed a short distance away in Victoria Street, a statue of Mithra was found amidst representations of Minerva, the Egyptian god Serapis, and for good measure, a Bacchic group (now in the Museum of London).

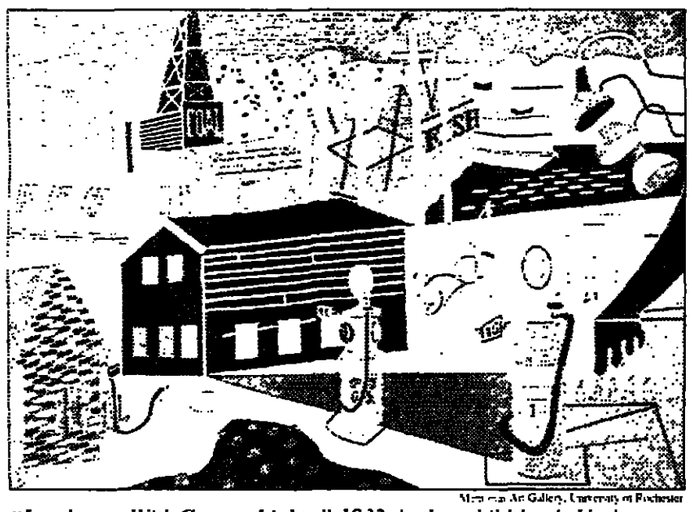
Christianity was coming, too. In a hoard of silver, probably Syrian, found at Water Newton near Peterborough, several pieces carry the Greek letters Chi-Rho, for Chrestos — Christ. Dating from the 4th century, it is the earliest set of silver plate from the Roman Empire.

For a while, the establishment tried to cling to its old ways. The "Corbridge lanx," a pictorial tray of the 4th century, features Apollo, his sister Diana and other deities. They look like frozen stereotypes. The art of Rome, like the Empire, was an empty shell. In 410, the emperor Honorius sent his famous letter inviting the communities of Britain "to look to their own defense." Roman Britain had ceased to exist. The Angles and the Saxons, invaders at first, began to settle the land that would be England.

British Museum

Female head from Towcester, Northamptonshire, in strongly Celtic style.

Jazz for the Eyes: Hot Colors and Syncopated Forms by Stuart Davis



Museum Art Gallery, University of Rochester

"Landscape With Garage Lights," 1932, in the exhibition in Venice.

By Roderick Conway Morris
International Herald Tribune

VENICE — It was characteristic of Stuart Davis that he should have founded a "school" of painting, Color-Space Realism, of which he remained the sole exponent. A talented and dedicated artist, he won recognition in the United States during his lifetime, and since his death, at the age of 71 in 1964, his stock there has continued to rise. But his work is still comparatively little known outside his native land.

The fact that Davis does not fit neatly into any major movement in 20th-century art has both been a factor in retarding a wider appreciation of his achievement and the reason that his painting is so interesting today. However, more than 60 canvases spanning his career, from 1912 to 1963, almost all from American museums and collections, are on show at the Peggy Guggenheim Collection until Oct. 5, after which this illuminating retrospective goes on the Palazzo delle Esposizioni in Rome, the Stedelijk Museum in Amsterdam early in 1998 and the National Museum of American Art in Washington next summer.

Born in Philadelphia of artist parents, Davis trained in painting in New York and spent most of his life in the city. He was chosen as one of five young American artists to participate in the landmark Armory Show of 1913, which directly exposed him for the first time to European avant-garde trends.

"I was enormously excited by the show, and . . . sensed an objective order in these works which I felt was lacking in my own. It gave me the same kind of excitement I got from the numerical precisions of the Negro piano players in Negro saloons, and I resolved I would quite definitely have to become a 'Modern' artist." Davis later recorded, identifying in the same breath the twin engines — jazz and European modern art — that were to launch the extended flight of his long artistic career.

As the sequence of pictures done between the time of the Armory Show and about 1930 in the exhibition illustrate, Davis came under the influence of Gauguin and van Gogh, Fauvism, Cubism and Expressionism. The sale of two pictures in 1928 provided him the funds to go to Paris until the summer of the following year, which could, in theory, have completed his enslavement to European prototypes. But by then Davis had already demonstrated in his "Lucky Strike," "Cigarette Papers," "Odol" and other compositions of the early '20s, which took images from commercial packaging (and predated Pop Art by decades), that he possessed a strong streak of originality that ultimately guaranteed his autonomy.

Equally important in this respect was his passion for jazz. Perhaps no other artist has ever tried as Davis did to translate the sound of jazz into pictorial form, but with the hot colors, syncopated forms and intricate variations on themes of his mature work, he created a unique visual equivalent — as is pointed up by the jazz musician and writer Ben Sidran's outstanding contribution to the show's catalogue, one of several commendably concise and lucid essays by various hands.

In many ways Davis's stay in Paris seems to have finally inoculated him against the potentially overwhelming grip of the European artists he admired, consolidated his self-confidence and allowed him to develop an idiosyncratic approach to composition and color, and inventive use of lettering (his signature, often quite prominent, becoming a calligraphic "tour de force" in itself).

Davis was always an extremely self-aware artist and, as is confirmed by the many quotations from his writings in the catalogue, an articulate commentator on his own work, and art in general.

IT would be difficult to sum up better than Davis did himself, in his explanation of "things that have made me want to paint, outside of other paintings," written in 1943, the multifarious subject matter that went into the making of his pictures, which he described as being: "American wood and iron work of the past; Civil War and skyscraper architecture; the brilliant colors of gasoline stations, chainstore fronts, and taxi-cabs; the music of Bach; synthetic chemistry; the poetry of Rimbaud; fast travel by train, auto and aeroplane which brought new and multiple perspectives; electric signs; the landscape and boats of Gloucester, Mass.; 5 & 10 cent store kitchen utensils; movies and radio; Earl Hines hot piano and Negro jazz music in general."

During the Depression, Davis became seriously politically engaged and the time he diverted to writing and efforts to help other artists much reduced his artistic output. But he never thought of employing his painting skills for the purposes of radical propaganda. "Art is not politics, nor is it the servant of politics," as he asserted at the time. "It is a valid, independent category of human activity." Although Davis's work became more stylized, it never lost its figurative foundations — something that is sometimes clearer when seeing his canvases in the flesh than when looking at illustrations of them — nor did he ever consider himself an abstract artist. Thus, even his most seemingly, at first glance, "abstract" productions are firmly based in a realism striving to distill an essential vision of the actual world. Interestingly enough, he not only rejected pure abstraction but Surrealism, too, came in for sharp criticism: "Surrealism denies the objective world and is escapist. It denies the classic function of art — bold assimilation of the environment."

In 1922, the artist defined in his notebook the qualities a work of art should have: "It may be as simple as you please but the elements that go to make it up must be positive and direct. . . . The work must be well-built, in other words." Davis faithfully carried out this credo, both in the thoughtful inception and in the painstaking care he devoted to the physical execution of each canvas. The result was some remarkable paintings that will retain their freshness for a long time to come.

ARTS

VI^ème BIENNALE DE SCULPTURE DE MONTE-CARLO
May 24 - October 31 1997
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BOOKS

TO THE HOOP

By Ira Berkow. 296 pages. $23. Basic Books.

Reviewed by Avery Corman

IRA BERKOW takes his middle-aged knees into local school yards, gyms, road games in other cities, wherever this eminence in sneakers can find a game. Berkow, a sportswriter for The New York Times, turns out to be a Damon Runyon-esque competitor in pickup basketball games.

He played high school basketball and then for Roosevelt University in Chicago and has continued to play through pain, triumphs, humiliations, with and against friends, strangers, famous ballplayers and people he knows only as Green Pants, Big Al, Little Al and Monster.

"To the Hoop" (his other books include "Pitchers Do Get Lonely, and Other Sports Stories" and "Red: A Biography of Red Smith") has the ramshackle quality of a pickup game itself, combining memoir, character sketches, a personal odyssey of family life, and sports reporting.

One of the pickup games Berkow describes is a full-court one in Cincinnati at the invitation of Oscar Robertson, former star of the Cincinnati Royals as well as a champion Milwaukee Bucks team. He played full-court ball with Oscar Robertson? Yes, but his core talent is in extracting the material that a less interested writer might overlook.

He writes of his experience with Robertson: "'It's really a simple game,' he said to me as we went into the locker room. 'It's rebounding and defense and maintaining control of the ball.'"

"When I asked Oscar about Michael Jordan, who has averaged 30 points a game in his career, he said he was a great player." Berkow said. "I asked him how many points Jordan would have scored in Oscar's era."

"'We had fewer teams, and the talent wasn't as diluted as it is today,' said Robertson. 'So I think Jordan would have scored about 20 a game.'

"'Twenty a game?' I said. 'But you scored 30 a game in that era.'

"'Well,' said Oscar, with a shrug. 'I handled the ball more than he does.'"

The inside-basketball aspects of the book are informed by Berkow's avocation. "You mean he really does this?" one might ask, as he describes wandering onto courts wherever he is, actually trying to improve his game at 56, even though he has added a knee brace to his equipment.

He tells about being on a court with the former Knicks star Walt Frazier. "I was impressed by the vast differences between the amateur and the pro. Whenever he felt challenged, Frazier, on defense, suddenly expanded before my eyes, as if he were being pumped with air. He not only got closer, but he also got taller and wider, even the hand that he raised to rebuff my shot seemed to grow as big around as an archery target. On offense he astonishingly shifted into higher and higher gears."

Like a surfer searching for the perfect wave, Berkow is ever in pursuit of the perfect pickup game. In Laguna Beach, California, he was interested in the ocean only as background for a basketball court near the beach. He describes a hapless time on the court. "I had done little on offense and even less on defense," he writes. "I picked up my sweatshirt without saying a word to anyone."

"I took no notice of the splendor of the surroundings, as I had earlier," he continues. "The palm trees, the ocean, the sea gulls, nothing else existed except that miserable game."

THERE is a fair amount about Berkow's personal and family life that has too much emotional weight to work within the subject matter and structure of the book. And anyone looking to understand the subculture of pickup basketball, disparate characters coming together, how they interact and what it means will find Berkow's focus on himself blocking the lane.

Still, he scores more often than not; it's as if we're hearing from a wise uncle who has all these good stories about the game of basketball.

Avery Corman, whose novels include "The Old Neighborhood" and "Kramer vs. Kramer," wrote this for The New York Times.

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Baht Slides On Central Bank Report

$23.4 Billion Owed From Interventions

Compiled by Our Staff From Dispatches

BANGKOK — The Thai baht touched a record low against the dollar on Friday, depressing currency prices throughout Southeast Asia, after the central bank revealed it owed $23.4 billion from futile foreign-exchange interventions.

Along with a 4 percent slide in Bangkok stock prices, the action indicated that the $16.7 billion aid package led by the International Monetary Fund has not restored confidence in the Thai economy.

"People are coming to the realization that the IMF program may not be enough to stabilize the baht," said Daniel Lian, an economist with NatWest Markets in Singapore.

At the close of trading Friday, the dollar stood at 33.95 baht in the domestic spot market, up from 32.80 baht, after touching a record 34.30. The SET index fell to the lowest level since the government floated the baht July 2, sliding 23.45 points, to 559.59. In dollar terms, the Thai stock index has lost nearly half its value since the start of the year.

Indonesia's banks are paying the price of high interest rates to protect the rupiah. Page 13.

The renewed bearishness about the baht came after the Bank of Thailand's revelation Thursday that it needed to repay $23.4 billion to investors for its futile defense of the currency.

"It is all in the forwards, which will be maturing in the next 12 months," said Jimmy Koh, regional economist at British financial house I.D.E.A. "If they are not able to roll these over, it will prove very detrimental to Thailand's economic outlook."

Thai foreign reserves stood at $30 billion at the end of July, but when the forwards commitments are taken into account, the underlying reserves were just $6.6 billion.

"Thailand still remains a pressure point in the region," said Vincent Low, fixed-income analyst at Merrill Lynch.

He said the amount committed by the Bank of Thailand to the baht's defense exceeded market expectations, adding: "It is pretty difficult to roll over forwards of such magnitude because of thin liquidity."

Thailand has estimated liabilities of $23.4 billion on forward foreign-currency contracts due by August 1998, a current account deficit of about $10 billion, $45 billion of short-term debt and $10 billion of long-term debt. Comparing this against reserves of $30 billion and an IMF lifeline of $16.7 billion means Thai coffers are short of cash, Chia Woon Khien, head of Asian economic research at Skandinaviska Enskilda Banken in Singapore, said.

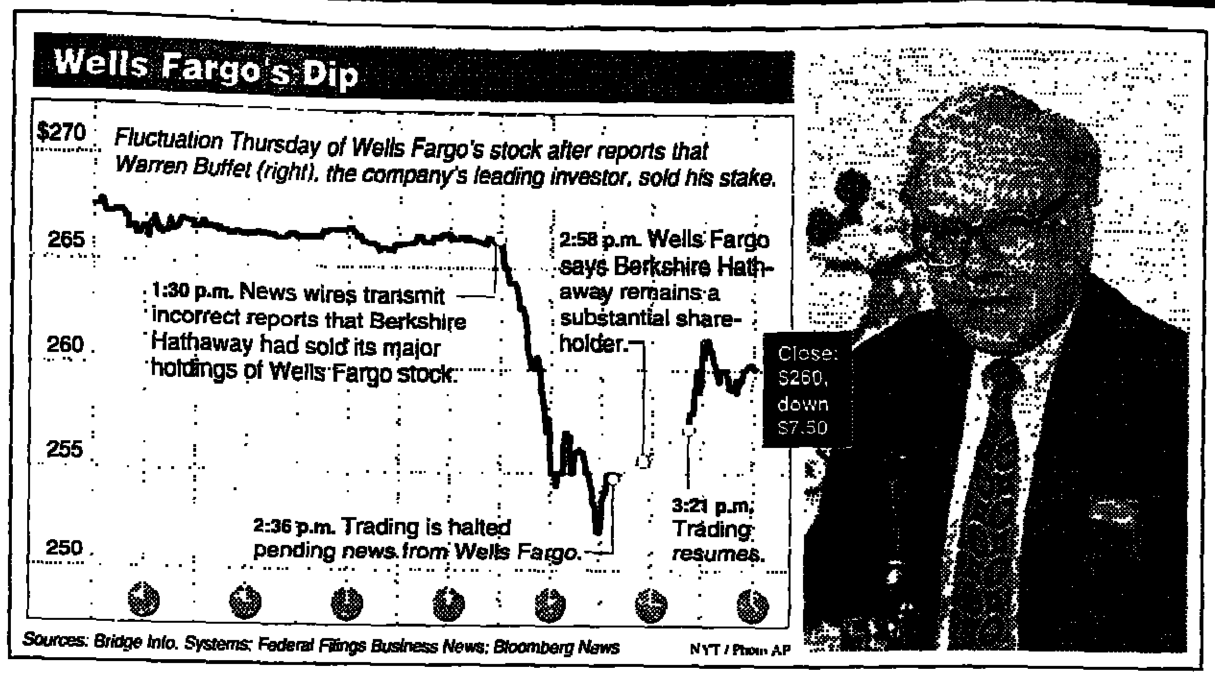
"Net, Thailand is short of some $42 billion," she said, although it is possible it can persuade its short-term creditors to maintain the credit line as it delays payment.

That's what Japanese banks are doing, according to an ITV Television interview with the Thai deputy prime minister, Virabongsa Ramangkura. He said Japanese banks informally agreed to roll over 80 percent of the estimated $30 billion in loans they have made to Thai companies. He said the amount was calculated from discussions with Thai central bankers, the Finance Ministry and private companies.

As the baht slid, most regional currencies tumbled. The Malaysian ringgit fell 0.6 percent, the Singapore dollar fell 0.5 percent, and the Indonesian rupiah lost 2.4 percent. Only the Philippine peso rose, gaining 0.4 percent to 29.851 to the dollar on anticipation of higher interest rates to defend the peso.

In Thailand, banks and finance companies were among the biggest losers in stock trading because of fears they would be forced to raise capital, diluting the stakes of current shareholders.

(AP, Bloomberg, AFP)



Sources: Bridge Info. Systems; Federal Filings Business News; Bloomberg News NYT / Photo AP

The Masked Holdup of Wells Fargo

New Confidentiality on Buffet's Holdings Sparked Sharp Sell-Off

By Floyd Norris
New York Times Service

NEW YORK — Wells Fargo & Co. was the victim of a billion-dollar misunderstanding.

Word on Thursday that Berkshire Hathaway Inc., the company run by the investor Warren Buffet, had sold its entire stake of almost 8 percent of Wells Fargo stock spurred a sell-off that shaved $1.3 billion from the California banking company's market value.

But Mr. Buffet's company had sold few, if any, shares in Wells Fargo. It was easy to reach the wrong conclusion by reading Berkshire's newest filing with the Securities and Exchange Commission, and the company did nothing to dispel the false impression created by that filing.

The result was chaos in trading of Wells Fargo and substantial disruption in the trading of two other companies that Berkshire had appeared to have also sold: General Dynamics Corp., the military contractor, and Torchmark Corp., an insurer.

The movements reflected both the jitteriness of markets and the widespread respect accorded Mr. Buffett for his success in building Berkshire Hathaway from a small company to a hugely successful one in the more than three decades he has run it.

It is common for stocks to leap on word that Mr. Buffett has been buying them, and it was no surprise that some would sell on the reports that he had sold.

Also, Berkshire is the largest holder of Wells Fargo stock.

Neither Mr. Buffett nor any other Berkshire official would discuss the filing that set off the furor.

Companies are required to file numerous reports with the Securities and Exchange Commission to keep investors informed about what is happening. Instead, the report Thursday misled many investors, something Berkshire could have prevented had it wished to do so.

Like all institutional investors with stock portfolios of more than $100 million, Berkshire Hathaway is required to file quarterly reports with the commission regarding its holdings. It was such a filing Thursday that seemed to indicate that Berkshire no longer owned shares in the three companies.

The catch was that Berkshire, like about 55 other institutions of the 1,800 that file such quarterly reports, has received approval of the commission to disclose only some of its holdings in the public reports.

The rest of the holdings are listed in a confidential report, available immediately to the commission but to the public with a delay of a year or more. Institutions seek confidential treatment when they fear disclosure would damage their investment strategy.

Berkshire appears to have shifted its holdings in the three companies from the public part of the filing to the confidential part.

The company has often built up a position without disclosing it, but this seems to be the first time it has moved an already disclosed investment to the confidential filing.

Berkshire could have done much more to warn investors what was happening. Federal Filings Business News, the first news service to report that Wells Fargo had vanished from the public report, asked Marc Hamburg, a Berkshire vice president, if it was possible that the shares had been switched from the public filing to the confidential one. He would not comment.

Wells Fargo stock fell from $266.375 a share at 1:30 P.M. on Thursday, just as the (wrong) news first moved on news wires, to a low of $251 at 2:29 P.M., a fall of 5.8 percent. The stock rallied a bit, to $254.69 before the New York Stock Exchange halted trading at 2:36 P.M.

Then Wells Fargo said what could have been inferred from other Berkshire filings, and what Berkshire itself could have disclosed: Berkshire remains a substantial shareholder in Wells Frago.

After trading resumed, the price rose to $260, down $7.50, or nearly 3 percent, for the day — well above the low price reached before Wells Fargo spoke up.

On Friday, Wells Fargo stabilized, closing up 75 cents at $260.75.

Rapid, if less pronounced, falls took place in the two other stocks that disappeared from Berkshire's public filing. General Dynamics, which Berkshire last reported owning 4.3 million shares, fell as low as $81.06 before rallying to close at $82.44, down 81 cents.

Torchmark, in which Berkshire owned 662,000 shares, slumped to $35.56, but rallied to close at $36.56, down $1.06.

General Dynamics was up $1.1875 in late trading Friday, at $83.625. And Torchmarch was down 81.25 cents, at $35.75.

BT and MCI Salvage Deal by Cutting Price

Cost of Takeover Falls $5 Billion

Compiled by Our Staff From Dispatches

LONDON — British Telecommunications PLC, shaken by the prospect of big losses at MCI Communications Corp., cut its offer for the U.S. telecommunications company by about 22 percent under a revised deal announced Friday.

British Telecom and MCI said they would proceed with plans to create a global telephone powerhouse called Concert PLC, a day after acknowledging that they were negotiating a lower price.

"We've survived the jolt and moved forward," Sir Peter Bonfield, British Telecom's chief executive, said.

Under the changes, which must be ratified by both companies' shareholders, BT would reduce the purchase price to about $18 billion from about $23 billion and give MCI shareholders more cash and less stock.

The changes, which result from last-minute renegotiations of terms for the acquisition, come a month after MCI shocked BT and investors by saying that its local phone operations would lose $800 million this year — double original estimates — and possibly more in 1998.

The new price values MCI shares at $32.64, compared to the original valuation of $41.84 per MCI share. MCI shareholders will now be offered 0.375 American depositary receipts in Concert, the new entity, for each MCI share they hold, and a cash payment of $7.75.

The number of outstanding shares in the new company will total 8.5 billion, which is 10 percent fewer than the companies originally planned to allocate. Under the original terms, MCI shareholders would have received 0.54 BT American depositary receipts, plus $6 in cash, for each MCI share.

On the London Stock Exchange, British Telecom stock rose 6 percent, to close at 436 pence ($6.92).

MCI stock fell 56.25 cents to close at $30 in New York, having shed 17 percent of its value Thursday after the companies said they were once again talking about price.

Executives from both companies said Friday that the logic of the deal had always been right, combining British Telecom's deep pockets and experience in local telephone markets with MCI's long-distance expertise and entrepreneurial vigor, but the price turned out to have been wrong.

The new deal would leave MCI shareholders with 25 percent of the merged company, compared with the 30 percent they would have held under the original terms.

But Tim Price, MCI president, said he was happy and was looking forward to closing the transaction.

"We came down in price — or restructured the deal — so this would be a win-win arrangement for both companies," Mr. Price said.

British Telecom and MCI have already obtained all necessary regulatory approval.

But one analyst said the deal would be hard to sell to MCI shareholders. "MCI is going to have to get over that hurdle," he said, "and they're going to have to explain why they did this — why were they prepared to accept such a significant cut."

Philip Harris, investment manager at Albert E. Sharp, said the price was so good that it could point to problems with MCI that neither company has yet revealed. "We're a bit suspicious of what this means for MCI's current trading prospects," he said.

(AP, Reuters, Bloomberg)

Dim Prospects For Intel Lead To Tech Slide

Compiled by Our Staff From Dispatches

NEW YORK — Technology stocks fell sharply Friday amid concern that sales growth in the semiconductor industry will slow in 1998, analysts and investors said.

Combined with a falling dollar and rising bond yields, the drop in the technology sector pushed broad stock indexes down after three days of gains.

The Nasdaq composite index, which contains many computer-related shares, finished down 8.61 points at 1,598.75. The Standard & Poor's 500-stock index, meanwhile, dropped 1.50 points to 923.55.

Thomas Kurlak, an analyst at Merrill Lynch & Co., cut his 1998 earnings-per-share estimate for Intel to $4.90 from $5.60, and downgraded his near-term rating on the stock to "neutral" from "buy." He also cut his near-term rating on Texas Instruments to "neutral" from "accumulate."

"Our general strategy on semiconductor stocks has been to take a trading approach based on the cyclical nature of the industry and the waxing and waning of investor perceptions that the cycles generate," Mr. Kurlak said in his report.

See SLIDE, Page 10

A New, Silent Car Alarm Is Slashing the Rate of Auto Thefts

By Peter Passell
New York Times Service

NEW YORK — If you wire your home and put a warning decal on the window, you're less likely to be burglarized. But frustrated thieves are more likely to break into the house next door. What would happen, though, if you carefully concealed a silent alarm linked to a security service?

Burglars would not be deterred from entering your house, but they would be more likely to be caught in the act. And you would be doing your neighbors a favor by reducing the number of bad guys on the street. In the language of Econ 101, there would be a "positive externality" to your choice of alarms.

Deterrence is most of the point of having a house alarm; nobody wants to confront a thief in the kitchen. But auto theft is another matter. A company based in Massachusetts, called Lojack, is trying to revolutionize protection against car thefts with its own version of the silent alarm.

It apparently works better than anyone expected. Two researchers, Ian Ayes of Yale and Steven Levitt of the University of Chicago, estimate that adding Lojack to three cars in a high-crime area reduces auto theft by one car a year. The only catch: Individual car owners must pay for the installation, even though the lion's share of the benefits go to others.

Lojack retrieval is built around a small homing beacon. Hidden in the car,

ECONOMIC SCENE

the beacon waits passively until the vehicle is reported stolen and is remotely activated from a radio signal tower. Then, police cruisers equipped with tracking receivers can identify the stolen vehicle by a five-digit code.

Since the company was founded in 1986, it has marketed the system in 12 metropolitan areas with serious auto theft problems — Boston; Miami; Newark, New Jersey; Los Angeles; Chicago; Atlanta; Norfolk, Virginia; Detroit, New York, Providence, Rhode Island; Tampa, Florida, and Washington. The company would not reveal how many cars have been protected in each city. But it did provide the data to the two researchers for the year 1994, who used it to isolate the impact of Lojack from other statistical factors influencing rates of car theft.

The results, published by the National Bureau of Research, were remarkable. Boston experienced a 50 percent decline in thefts, transforming it from an auto-theft capital to a city with a theft rate only slightly higher than average. According to Mr. Ayres's and Mr. Levitt's estimates, going from no hidden protection to Lojack in 2 percent of cars — roughly the company's average market penetration — reduces theft losses by 40 percent in central cities and about 13 percent within the range of Lojack's metropolitan coverage.

These numbers sound too good to be true, and in one sense they are.

For while Lojack installation triples the probability of arresting a thief, it is not much of a direct deterrent because relatively few cars are protected even in the high-penetration areas. In Boston, the city with the most cars equipped with Lojack beacons, the chances of getting caught in a randomly selected stolen car has risen by less than 1 percentage point.

What Lojack apparently does do very effectively, though, is to disrupt recidivism. Career criminals account for a disproportionate share of auto thefts, stealing dozens or even hundreds of cars a year.

So even a small rise in the probability of getting caught during each theft can have a large impact on the number of professional car thieves in prison.

More important, most cars are stolen for their parts rather than resold intact. Theft rings typically operate centralized stripping centers. Hence, putting a "chop shop" out of business can lead to the recovery of dozens of cars, along with the arrests of several professional thieves.

According to the company, Lojack has led to raids on 53 chop shops in the Los Angeles area alone. That helps to explain why auto thefts fell 20 percent there in the four years after the company entered that market in 1990.

If Lojack is such a blessing, what is stopping people from buying the system? According to the researchers, 90 percent of the benefits go to nonbuyers in the form of lower community-wide theft rates.

Having Lojack in your own car does increase the probability of its being recovered quickly, reducing the average loss from about $5,000 to $1,000. But since insurance usually covers all but a small deductible, paying $595 for Lojack amounts to an act of good citizenship rather than self-interest.

The key to making the market for Lojack work efficiently, the researchers suggest, is to require insurers to pass on the benefits in the form of premium discounts. Massachusetts, New York, New Jersey and Rhode Island do mandate discounts, but they are only loosely linked to the neighborhood benefits. And until 1996, Illinois actually prohibited insurance discounts, a fact that probably explains poor sales of Lojack in Chicago.

The Transformation of Berjaya Group

Bloomberg News

KUALA LUMPUR — It took Vincent Tan 13 years to build one of Malaysia's biggest business empires, which spanned gambling, insurance, selling bicycles and control of some of Kuala Lumpur's most prized plots of real estate.

The 45-year-old chairman and top stockholder of Berjaya Group Bhd. then took just 12 months to take apart and reshape his $7.2 billion kingdom.

Analysts and investors are cheering.

"It's much neater and clearer," said Samantha Teo of Nikko Capital Management (Singapore) Pte. The resulting group, she said, "is one level rather than three or four levels."

Mr. Tan has spent the last few months cleaning house, selling "listed shell companies" to raise money, cutting the group's debt load and rearranging key businesses to unlock "hidden values" within the group.

With the Malaysian economy poised to slow and business facing higher interest rates, Mr. Tan is trying to build up a defensive shield to weather the slowdown, analysts said.

"He seems to have seen it coming much earlier than other people," said K.C. Low, head of research at Pengkalen Securities.

As of September 1996, Berjaya Group, the flagship investment holding company, had a complex and "vertical" structure.

The group controlled nine publicly traded companies, a result of furious acquisitions in the early 1990s, helped by a robust economy and booming stock market.

The companies have a combined market capitalization of more than 20 billion ringgit ($7.20 billion).

But much of the profit from those companies did not filter down to Berjaya Group's bottom line because the parent had only minority holdings in some of the units. Moreover, analysts said, a mounting debt load and high interest costs started to erode profit growth.

Berjaya Group then posted its first ever loss, at 7.2 million ringgit, in the year ended April 30, 1996, even though sales grew 47 percent. That was Mr. Tan's wake-up call.

Mr. Tan flattened the group's structure by bringing his prized jewel — the betting company Berjaya Sports Toto — closer to Berjaya Group to gain better access to the gambling profits. Berjaya Sports Toto provides almost half of Berjaya Group's profit.

On March 21, Berjaya Leisure Bhd., 81 percent owned by Berjaya Group, sold its majority stake in Berjaya Sports Toto to its shareholders for an estimated 1.17 billion ringgit. The result: Berjaya Group now owns about 50 percent of Berjaya Sports Toto.

Mr. Tan also sold three of his publicly traded companies to investors more interested in a stock exchange listing than the company's business.

This allowed Mr. Tan to sell these "listed shell companies" while keeping their assets. He also bunched his property assets under one company, and renamed it.

The transactions gave Berjaya Group more than 2 billion ringgit in cash and produced a business structure that analysts like the look of.

Such drastic corporate reorganizations are not uncommon in Malaysia. Even the government used such a procedure when it wanted to consolidate control over its business interests.

In early 1990, Renong Bhd., once a defunct mining outfit, swallowed all of the business of United Malays National Organization, Malaysia's dominant political party, in exchange for new shares. Renong became a conglomerate, with stakes in nine publicly traded companies. Control of Renong was sold to Halim Saad, a close party associate.

CURRENCY & INTEREST RATES

Cross Rates

Aug. 22

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.05	3.288	1.126	0.3342	0.1154*	—	5.454*	1.3658	1.7465*	1.471	1.332*
Brussels	37.46	59.775	20.6445	6.128	2.117*	18.34	—	24.8675	0.3216	26.85	24.5825*
Frankfurt	1.822	2.912	—	0.2960	0.1025*	0.8882	4.8431*	1.2096	1.5578*	1.3042	1.1026*
London (a)	1.6052	—	2.9171	9.8282	2,847.22	3.284	60.2600	2.4067	188.4586	2.2379	247.1688
Madrid	153.345	246.229	84.52	25.092	8.664*	75.066	4.8933	102.25	131.57*	109.885	—
Milan	1,773.60	2,845.00	975.35	289.75	—	866.80	47.22	1,180.65	15.17	1,272.25	11.536
New York (b)	—	1.6115a	1.8180	6.1285	1,774.80	2.0409	37.48	1.4985	118.345	1.3934	152.855
Paris	6.1113	9.773	3.3684	—	0.3453*	2.9917	0.1631	4.075	5.2435*	4.3793	3.9845*
Tokyo	117.35	186.22	63.77	18.93	0.654	56.64	3.8886	77.46	—	84.15	0.756
Toronto	1.3921	2.2421	0.7663	0.2276	0.0785*	0.6833	0.3715*	0.9288	1.177*	—	0.907*
Zurich	1.4975	2.416	0.8257	0.245	0.0846*	0.7334	3.998*	—	1.278*	1.0732	0.9759*
1 ECU	1.0861	0.6792	1.9705	6.6376	1,922.37	2.2187	40.4885	1.6288	126.586	1.5157	166.598
1 SDR	1.3998	0.8489	2.4775	8.3089	2,406.72	2.7771	51.392	2.0475	159.365	1.884	208.562

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	288.45	Mex. peso	7.78	S. Afr. rand	4.7465
Australian $	1.3416	Hong Kong $	7.7453	N. Zealand $	1.5552	S. Kor. won	898.80
Austrian sch.	12.753	Hung. forint	199.38	Norw. krone	7.5455	Swed. krona	8.0125
Brazil real	1.0908	Indian rupee	36.24	Phil. peso	30.00	Taiwan $	28.72
Chinese yuan	8.3191	Indo. rupiah	2670.0	Polish zloty	3.50	Thai baht	32.85
Czech koruna	34.76	Irish £	0.6938	Port. escudo	186.25	Turkish lira	165380.
Danish krone	7.0165	Israeli shek.	3.532	Russ ruble	5816.0	UAE dirham	3.6725
Egypt. pound	3.3943	Kuw dinar	0.3028	Saudi riyal	3.7508	Venez. boliv.	495.75
Fin. markka	5.4898	Malay. ring.	2.755	Sing. $	1.4963		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5955	1.5936	1.5915	Japanese yen	116.03	115.49	114.98
Canadian dollar	1.3933	1.3908	1.3886	Swiss franc	1.4935	1.4882	1.4830
Deutsche mark	1.8081	1.8045	1.8010				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Aug. 22

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅛ - 3¼	1⅛ - 1¼	7⅛ - 7¼	3¼ - 3⅜	⅜ - ½	4⅜ - 4½
3-month	5⅝ - 5¾	3¼ - 3⅜	1⅛ - 1¼	7⅛ - 7⅜	3⅜ - 3½	⅜ - ½	4¼ - 4⅜
6-month	5¾ - 5⅞	3⅜ - 3½	1¼ - 1⅜	7¼ - 7⅜	3⅜ - 3½	½ - ⅝	4⅜ - 4½
1-year	5⅞ - 6	3½ - 3⅝	1¼ - 1⅜	7¼ - 7½	3½ - 3⅝	½ - ⅝	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5⅝	5½
90-day CDs dealers	5.60	5.59
180-day CP dealers	5.52	5.50
3 month Treasury bill	5.10	5.11
1-year Treasury bill	5.26	5.25
2-year Treasury bill	5.93	5.91
5-year Treasury note	6.20	6.14
7-year Treasury note	6.26	6.20
10-year Treasury note	6.36	6.30
30-year Treasury bond	6.66	6.60
Merrill Lynch 30-day RA	5.12	5.12
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.44
1-month interbank	0.49	0.49
3-month interbank	0.53	0.53
6-month interbank	0.54	0.54
10-year Govt bond	2.29	2.30
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.13
1-month interbank	3.20	3.18
3-month interbank	3.28	3.28
6-month interbank	3.45	3.43
10-year Bond	5.94	5.84
Britain		
Bank base rate	7.00	7.00
Call money	7⅛	7⅛
1-month interbank	7⅛	7⅛
3-month interbank	7¼	7¼
6-month interbank	7⅜	7½
10-year Gilt	7.11	7.00
France		
Intervention rate	3.10	3.10
Call money	3⅛	3⅛
1-month interbank	3¼	3¼
3-month interbank	3⅜	3⅜
6-month interbank	3⅜	3⅜
10-year OAT	5.61	5.52

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

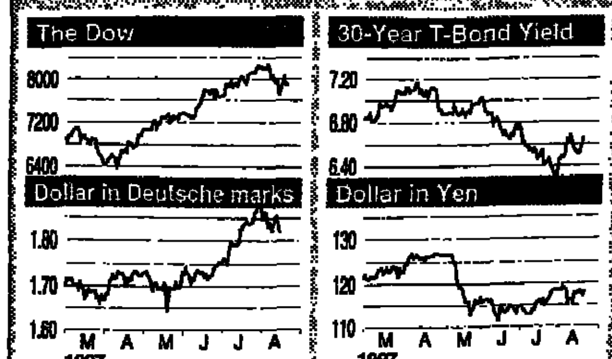
Gold

	A.M.	P.M.	Ch'ge
Zurich	323.85	323.90	+0.65
London	321.80	324.00	+1.00
New York	326.60	329.70	+3.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Friday 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7887.91	7893.95	-0.08
NYSE	S&P 500	923.55	925.05	-0.16
NYSE	S&P 100	896.93	899.31	-0.26
NYSE	Composite	478.93	479.78	-0.17
U.S.	Nasdaq Composite	1598.59	1606.76	-0.50
AMEX	Market Value	643.83	646.56	-0.42
Toronto	TSE Index	6709.36	6726.40	-0.25
São Paulo	Bovespa	11064.36	11039.84	[illegible]
Mexico City	Bolsa	5017.56	5050.60	[illegible]
Buenos Aires	Merval	843.42	860.85	-2.02
Santiago	IPSA General	5589.16	5608.82	[illegible]
Caracas	Capital General	9435.59	9332.89	+1.10

Source: Bloomberg, Reuters International Herald Tribune

Du Pont to Buy Ralston Purina Unit for $1.5 Billion

Compiled by Our Staff From Dispatches

WILMINGTON, Delaware — Du Pont Co. said Friday that it had agreed to buy Ralston Purina Co.'s soy unit for $1.5 billion in stock and assumed debt as the largest U.S. chemical company expands its activities in agricultural products.

The acquisition of Ralston Purina's Protein Technologies International unit, a maker of soy protein and fiber food ingredients with $450 million in annual sales, comes on the heels of Du Pont's Aug. 7 announcement of a $1.7 billion investment in Pioneer Hi-Bred International Inc., a supplier of seeds and genetically engineered agricultural products.

Investors appeared to be skeptical that the wager would pay off. Shares in Du Pont, which said it would take a charge of $1 a share this year for its acquisitions and divestments, fell $1.3125 to close at $64.75. Ralston Purina stock rose $2.875 to $91.125

"It's going to take a while before investors are really convinced" about Du Pont's agribusiness strategy, said Charles Ober, portfolio manager for T. Rowe Price New Era Fund, which holds about 500,000 Du Pont shares.

Du Pont is going to have to show how it will use Ralston's soy unit and its Pioneer joint venture to make profits, he said.

But William Young, an analyst with Sovereign Asset Management, which holds about 1.4 million Du Pont shares, said the company has the skills to make money in this new high-tech business.

Agribusiness, he said, "offers a higher growth rate than Du Pont's other businesses."

Du Pont said it would also take an unspecified charge in the fourth quarter to write off current research and development at the unit being acquired. The acquisition will lower earnings by about 1 percent in 1998, the company said.

Du Pont also said it will buy back shares in the open market to compensate for shares issued in the transaction.

The $1-per-share write-off also will apply to Du Pont's purchase of four chemical operations from Imperial Chemical Industries PLC and the sale of its graphic film and offset printing business to Bayer AG's Agfa unit, executive said.

Jay Brown, chief executive of Protein Technologies, said the company would operate as an independent subsidiary.

The headquarters will remain in St. Louis and the existing management team will continue to run it, he said. The soy-protein division operates in 75 countries and employs 1,200 people.

William Stiritz, Ralston's chief executive, said the sale would enable the company to concentrate on its two major areas — Purina Pet Products and Eveready Battery Co.

William Kirk, vice president and general manager of Du Pont Agricultural Products, said acquisition of Protein Technologies was part of Du Pont's strategy to expand in the feed and food ingredient industries.

Earlier this month, the company announced formation of a research alliance with Pioneer Hi-Bred to speed the development and delivery of new crops for farmers and livestock producers.

In February, Du Pont said it had agreed to purchase all business and technology rights for high-oil corn, used predominantly for livestock feed, from Pfister Hybrid Corn Co. and Holden's Foundation Seeds Inc. *(Bloomberg, AP)*

SLIDE: *As Bond Yields Move Higher, Dim Prospects for Intel Send Shock Through Technology Issues*

Continued from Page 9

"Presently, the stocks are up substantially, the recovery is in gear, and perceptions are for more of the same in 1998," he added.

But he said that in 1998, the "recovery's momentum will stall, aggravated by chronic industry oversupply."

Intel Corp. shares fell 2¼ to 95¼, while Texas Instruments Inc. stock dropped 6 3/16 to 118 13/16. Other computer-related stocks, including International Business Machines Corp. and Microsoft Corp., also declined.

Recent reports showing unexpected strength in manufacturing and jobs growth have driven Treasury yields higher, removing one of the favorable elements that helped propel stocks to records earlier this summer. Investors are concerned that economic growth is too robust, which may trigger inflation and lead the Federal Reserve Board to raise interest rates.

"Corporate earnings are just fine, but as interest rates move up, investors place lower values on stocks," said George Mairs, president of Mairs & Power in Inc., in St. Paul, Minnesota, a fund-management firm. "And with stocks near full valuations, investors are nervous."

The price of the benchmark 30-year Treasury bond dropped 17/32 to 96 15/32 Friday, pushing its yield up to 6.66 percent from 6.60 percent on Thursday. The yield began the week at 6.54 percent.

Next week's reports on home sales, durable goods orders, and second-quarter economic growth

U.S. STOCKS

may heighten concern about inflation, analysts said.

"People are becoming more concerned about the prospects for inflation," said Neil Toth, who helps manage $22 billion in bonds for the Ohio Public Employees Retirement System in Columbus. "We could be at 7 percent in the next two months," he said, referring to the 30-year bond yield.

Bank, brokerage and other interest-rate sensitive shares declined on concern that the increased cost of borrowing could dent lenders' profits. NationsBank, Salomon and Travelers Group all fell.

Bonds were also hurt by the dollar's slump against the German mark. A surge in German import prices heightened concern that the Bundesbank may raise interest rates to keep inflation in check, which might prompt investors to sell dollars to buy German bonds.

The government's first revision to its estimate of second-quarter growth, slated for release on Thursday, probably will show the economy grew at a 3.0 percent annual rate in the quarter, up from the government's first estimate of 2.2 percent, a survey of economists indicated.

Growth probably was faster than originally estimated in part because exports were stronger than expected in June. The government said Wednesday that exports rose 0.9 percent in the month to a record $78.42 billion.

Central bank policymakers left interest rates unchanged at Tuesday's meeting of the Federal Open Market Committee, as they did in May and July — a signal they are comfortable with the outlook for inflation.

The government last week said consumer prices rose at a 1.5 percent annual rate in the first seven months of the year, the slowest pace since 1986. *(Bloomberg, AFX)*

MARKET: *Signs of Inflation in Germany Turn Investors Sour Again as Stocks Fall Worldwide*

Continued from Page 1

in August and no one is around," said a trader at Prudential Securities in New York. "Half of my ferry was empty this morning, and the phones have been quiet all day."

For all of the harshness of the price swings in the last week, the net result has been modest. In Amsterdam, where stocks were down more than 5 percent at one point on Friday and where they closed with a loss of 3.35 percent of their value, they were still up 3 percent for the week. Similarly, a tumultuous week left Germany's DAX down a mere 1.6 percent and France's CAC index off by 0.6 percent.

"The markets have gone violently sideways," concluded Allison Southey, global strategist for Nomura Securities in London. "I suppose it is to be expected since it is August, and many European stock markets have risen by 50 percent this year."

The American stock market which often gets blamed for leading markets around the world on a roller-coaster ride has produced more smoke than fire. By mid-afternoon on Friday, for instance, the Dow teetered within 20 points of where it had started the week.

"There has been no big rush to buy and we have not seen anyone in a panic to sell," said Bill Allyn, director of share trading at Jefferies & Co. in Short Hills, New Jersey.

Of course, the Dow started the week 247 points below where it had started trading on the previous Friday when the market had its worst decline in terms of points, since 1987. But bruises from that lurch healed swiftly and were passed off as predictable, if not desirable.

In addition, analysts say that the markets are due for a breather. "You cannot say that any of these markets offer any value at this point," said Nomura's Ms. Southey. With prices already high by historical standards, she and many others insist that any further rise would reflect not logic or economic fundamentals as much as the sheer weight of cash still flowing into stock markets from New York to Helsinki.

■ Dollar Rises Against Yen

The dollar rose against the Japanese yen on expectations that Japan's economy was not growing fast enough to warrant a rise in interest rates there any time soon, News agencies reported.

The decline of the Dow dragged the dollar down against most European currencies, however. When foreign investors sell U.S. assets, they often convert dollar profits into their own currencies.

"The word for the dollar is Dow," said Vicki Schmelzer Alicea,

FOREIGN EXCHANGE

corporate currency trader at Westdeutsche Landesbank Girozentrale. Concern over U.S. equities was "putting the fear of God into people. The dollar's going to follow."

The dollar staged a late-day rally against the yen as Japanese economic data dimmed the prospect of a rate increase by the Bank of Japan.

At 4 P.M. in New York, the dollar was quoted at 118.345 yen, up from 117.225 yen Thursday. Friday, a closely watched measure of Japan's economy, the diffusion index of economic indicators, fell to 35 in June from 50 in May.

Traders are awaiting a report on Japan's July retail sales to be released Friday to determine if the increase in April in the consumption tax was also damping demand.

"I'm more bullish dollar-yen than anything else," said Joe Pedone, a corporate currency salesman at Dai-Icho Kangyo Bank. "It doesn't look like domestic demand is picking up there. If next week's numbers are low, that will push back a rate hike further."

Against European currencies, the dollar fell to 6.1285 French francs from 6.1855 francs, and to 1.4985 Swiss francs from 1.5143 francs. The pound rose to $1.6115 from $1.5920.

Very briefly:

U.S. Companies to Create More Jobs

WASHINGTON (Bloomberg) — The American job-creation machine will not lose steam in the near future because many U.S. companies plan to step up hiring in the fourth quarter, a new survey showed.

Twenty-eight percent of U.S. businesses expect to hire more workers during the fourth quarter, according to Manpower Inc.'s quarterly survey of 16,000 companies, released Friday. Only 7 percent of companies plan to cut back, while 60 percent expect no change.

"Not since 1978 has a final quarter survey reflected stronger demand," the report said.

America's low unemployment rate of 4.8 percent makes it difficult for employers to find qualified workers. The shortage could push companies to offer higher wages to attract qualified workers. If that happened, consumers could see higher prices for goods and an increase in inflation.

- **United Parcel Service of America Inc.** and a holdout local of the **International Brotherhood of Teamsters** in Chicago have reached a tentative contract agreement, ending a strike.
- **Mexico** is preparing a 26.1 billion peso ($3.37 billion) bailout for the companies that operate dozens of toll roads built in the early 1990s and that are groaning under huge debt.
- **A.G. Edwards Inc.**, the biggest regional U.S. brokerage, announced a 3-for-2 stock split and an 8.33 percent increase in its quarterly dividend, to 13 cents a share.
- **Sunbeam Corp.**'s chairman, Albert Dunlap, expects the **American Medical Association** to honor an agreement to give exclusive endorsements to the company's home health-care products in return for a percentage of sales, a deal that the doctors group has said it wants to cancel.
- **Toyota Motor Corp.** will raise prices on its 1998 4Runner sport utility vehicle and T100 full-size pickup truck by up to 2 percent on average. *Bloomberg, AP*

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
ARC	2360	6½	5¾	6¼	+¼
ARM Fin n	1203	20	19⅜	20	+¼
ActGrp s	163	14½	14⅛	14⅛	-⅛
Aeroson	133	10¼	10⅛	10⅛	-⅛
AirWat	103	3⅜	3	3⅛	-⅛
Alteon	106	2⅜	2¼	2¼	—
AHoagen	1207	16	15⅛	16	[illegible]
AlloRsn	277	10⅛	9⅝	10⅛	-⅛
Alpnia	210	14	13½	13¾	-⅛
AltLiving	281	22⅝	22¼	22½	-⅛
AmdH	6605	17⅛	17¼	17⅜	+⅛
Amenc n	242	3⅝	3⅛	3⅝	—
AREInv	1076	12⅛	11⅝	12⅛	+⅛
AmShrd	185	1⅛	1	1⅛	-⅛
ATechC	161	15⅛	14⅛	14⅜	-⅜
Ampex	1402	4⅞	4⅝	4⅝	—
Amtec s	117	2½	2	2	—
Andrea	2215	28⅜	25⅝	27⅛	+⅛
AppleOrt n	86	11	10¾	11	—
ArmorH	136	10⅛	10	10⅛	—
Adyth	108	2	2	2	+⅛
AstLiving s	203	15⅝	15⅛	15½	-⅛
Astrosy	343	10⅜	9⅞	10⅛	-⅛
Audvox	659	7⅞	7⅞	7⅞	-⅛
AmerEl	248	1⅝	1⅝	1⅜	—
Autotote	634	1⅜	1⅛	1⅜	+⅛
AvenEnt n	278	8⅝	8	8⅝	+⅛
Axco	370	1⅛	1⅛	1⅛	+⅛
BAT Ind	477	16⅜	16⅛	16⅜	+⅛
BFX Hosp	146	2⅝	2⅝	2⅝	—
Baldw	480	4⅞	4⅝	4⅝	—
Balldy s	199	19	18⅝	18⅝	-⅛
BarrLab s	251	38¾	37¾	37⅞	-1⅛
BemaGold	1010	5⅝	5⅛	5⅝	+⅛
BioR A	328	27⅜	27⅛	27⅜	-⅛
BiotCp	111	15⅝	15⅛	15⅛	-⅛
BlondT	196	12¾	12¼	12⅞	-⅛
BogenC	199	5	4⅞	4⅞	+⅛
Bogen wt	248	⅞	¾	⅞	+⅛
BollTch n	189	5⅞	5⅛	5⅞	-⅛
Bowlfld	624	19⅝	19½	19½	-⅛
Bowne	537	29½	28⅝	29	-⅛
Brandyw s	1696	21¾	21⅛	21⅛	-⅛
CE Frnk g	87	6⅞	6½	6½	-⅛
CFX Cp	173	19	18⅝	18⅝	-⅛
CIM	124	8	7⅝	8	+⅛
Cablvsn	146	52¾	52½	52¼	-⅝
Cambior	270	11⅛	10⅝	11	—
CdnOccl g	156	25⅝	25⅝	25⅛	-⅛
CanyonRs	372	2½	2⅜	2⅜	—
CapPcHl	118	3½	3	3	-⅛
Catalnz	389	21⅝	21½	21½	-⅛
CarverBcp	149	13	12½	12¾	-⅛
CastleAM	281	22⅝	22½	22⅝	-⅛
CelSci	275	3⅜	3⅜	3⅝	-⅛
CFCda g	130	4⅞	4	4⅞	—
ChadThr	288	8⅝	8⅜	8⅜	—
Citadel	110	3¾	3⅝	3⅝	-⅛
ClevtC n	759	17⅝	13⅞	15⅝	+1⅞
Cognitr	463	14⅝	13¾	14⅛	-⅛
CohesSr	185	11⅛	11½	11½	-⅛
ColLb	1001	17⅝	16⅝	16⅞	-⅛
Conslrce	416	6⅜	6⅛	6½	-⅛
CncrdAst	102	6⅞	6⅛	6⅞	—
CordrA wt	152	⅞	⅞	⅞	+⅛
CompMan	145	14⅞	14⅝	14⅝	—
CoreMatl	90	3⅛	3⅛	3⅛	-⅛
Cross	212	8⅝	8⅝	8⅝	-⅛
ecCrwnL	122	⅞	⅞	⅞	[illegible]
CrystAm	915	8	7	7⅛	-⅛
Crystlx gn	1977	4	3⅝	3⅞	-⅛
Cubic	99	31	30½	30½	—
Cycomm	422	2⅞	2⅝	2¾	—
DI Ind	14983	6⅛	5¾	5⅞	-⅛
DRS Tech	190	12⅞	12	12½	-⅛
DairyMt	185	5⅝	5⅝	5⅝	-⅛
DataloM	531	⅞	¾	¾	-⅛
Datamet	154	1½	1½	1½	—
Datram	112	9	8½	8½	—
DeWolfe	97	4⅞	4⅞	4⅞	—
DevnE	346	40⅛	39½	39⅞	+⅛
DigRecr	93	10	9⅝	10	-⅛
Diodes	288	12⅝	12	12⅛	+⅛
Drewlnd s	136	13⅝	13⅜	13⅜	-⅛
DryMu	168	10⅝	10⅝	10⅝	-⅛
DryNY	150	10⅝	10½	10⅝	—
EXX A	91	3½	3½	3⅝	+⅛
EZ Serv	108	⅞	¾	⅞	-⅛
EchoBay	5487	5⅜	5	5⅜	+⅛
Edisto	158	9⅞	9⅝	9⅝	—
ElPasoE	1230	6⅝	6	6⅛	—
Elswth	163	11½	10⅝	10⅞	-⅛
EmersR	180	½	⅞	½	—
Envirost	438	4⅜	4	4⅝	+⅛
ExtoBl	811	15½	15	15½	+⅛
FcmTel	135	2⅝	1⅞	1⅞	—
FlAusl	406	8½	8⅜	8⅜	-⅛
FAusPr	2897	9⅝	9⅛	9⅝	+⅛
FChnl	902	⅞	¾	⅞	+⅛
FlaRck	187	44⅝	44	44⅛	-⅛
ForstLb	868	42	41½	41⅝	-⅛
FortPetrR	145	1⅝	1½	1⅝	-⅛
FreqEl	505	22⅛	20⅝	21⅛	-⅛
Frischs	89	13¾	13¼	13⅝	-⅛
GST Tele	1285	10⅜	9⅞	10	-⅛
GaminB	271	4½	4⅛	4½	-⅛
GeoCn	873	9⅛	9	9⅛	-⅛
Gencor s	207	13⅜	13¼	13⅜	-⅛
GnAuto	480	1⅝	1⅝	1½	—
GnEmp	146	16⅛	15⅝	16	+⅛
GenvOr	233	17⅝	17⅛	17⅛	-⅛
GetchGld	432	36½	35⅝	35⅝	+⅛
GiantFd	705	33⅝	33	33⅝	+⅛
Glatfl	197	19⅞	19⅝	19½	+⅛
GloVideo	327	2⅛	2⅛	2⅛	+⅛
GldStarP	715	6⅞	5⅝	5⅝	—
GldFld	159	⅛	⅛	⅛	—
GreyhdL	901	4⅞	3⅞	3⅞	-⅛
ecHqlmF	151	⅞	⅞	⅞	—
HallEP	152	8⅛	7⅞	7⅞	-⅛
HalwdA g	1519	38⅛	37⅛	38	-⅛
HampDr	415	12	11⅝	11⅝	-⅛
HanvDir	1524	1⅛	1½	1⅛	-⅛
Hecton	3362	6⅛	5⅞	6⅛	-⅛
Hasbro s	18226	27⅞	26⅞	27⅞	-⅛
HawAir	114	4⅝	4½	4½	-⅛
Hearx	2110	1⅛	1⅛	1⅛	+⅛
HiShearT	153	7⅛	6⅛	7⅛	[illegible]
HomeVll n	228	16⅛	16⅛	16⅛	[illegible]
Hondo	135	6⅝	6	6⅝	+⅝
HooperH	283	24½	23½	24½	-⅛
HrzPhm n	123	8	8	8	-⅛
HovnEn	146	7⅛	6⅞	6⅞	-⅛
IGI	138	4⅞	4⅝	4⅝	+⅛
IMH Cml	310	18⅛	17⅝	18⅛	-⅛
Identix	389	9½	9⅛	9⅛	-⅛
ImpCMlg	266	26⅛	25⅝	26⅛	-⅛
ImpOil g	1033	54⅞	53	54⅞	+1
Infocure n	296	4⅞	4⅝	4⅞	[illegible]
Instron	183	16⅛	16	16	-⅛
InterDig	642	5⅝	5⅝	5⅝	-⅛
Intmagn	188	10⅛	10	10⅛	-⅛
IntlAbS n	145	7⅛	7⅛	7⅛	-⅛
IntlCmfr	597	8	7⅛	8	+⅛
IntelGC	258	3⅞	3¾	3⅞	+⅛
IonLaser	189	5⅞	5⅝	5⅝	-⅛
IvaxCp	1328	9⅞	9⅝	9⅞	+⅛
JTS Corp	9476	½	½	⅞	-⅛
JanBell	174	2⅞	2⅝	2½	-⅛
KFX Inc	90	2⅞	2⅝	2⅞	-⅛
KV Ph A	212	15⅛	15⅛	15¼	+⅛
Kafus gn	1204	5⅛	4⅞	4⅞	-⅛
KatzM	280	10⅝	10⅛	10⅛	-⅛
Keane s	806	56⅝	56	56⅝	+⅛
KeyEng	2824	22⅝	22⅛	22⅛	-⅛
KogrEq	277	19½	19⅝	19⅝	-⅛
Krug	86	5⅛	5⅛	5⅛	-⅛
LXRBiot	298	1⅞	1⅛	1⅞	+⅛
LaBarg	89	5⅝	5⅝	5⅝	-⅛
Lancer s	98	16⅛	15⅝	16	-⅛
LsrTech	193	3⅞	3⅝	3⅝	[illegible]
LilVera	145	16⅝	16⅛	16⅝	-⅛
LittfdAd	86	⅝	⅝	⅝	+⅛
MSB Bcp	91	23⅝	23	23⅝	+⅛
MagnHunt	259	5⅞	4⅞	5⅛	—
MaliBuEnt	159	4⅞	4⅝	4⅞	+⅛
Maxfan	115	5	4⅝	4⅝	-⅛
MarklnPh	210	9⅝	9	9	-⅛
MaxxP wt	125	2⅝	2⅛	2⅛	-⅛
MeasSpcl	120	3⅞	3⅞	3⅞	[illegible]
MedcR	676	11	10⅝	10⅝	+⅛
Medlo	491	36⅝	35⅝	36⅛	-⅛
MedicLog	431	2⅞	1⅞	2⅞	-⅛
Medq	167	7⅞	7½	7⅞	-⅛
Medtox	703	⅞	⅞	⅞	-⅛
Meteor n	245	5½	5⅛	5⅝	-⅛
Meteor wt	89	⅞	¾	¾	-⅛
Mallkro n	177	15	14⅛	14⅛	—
Metromdi	504	11	10⅝	10⅝	-⅛
MidcstEn	250	19⅛	18⅛	19⅛	-⅛
MilleLnd	280	10⅛	10⅛	10⅛	-⅛
MisslnW s	241	4⅞	4⅞	4⅞	-⅛
Munrst	430	9⅝	9⅝	9⅝	-⅛
Myersind	135	16⅛	15⅝	15⅝	-⅛
NTNCom	1719	2⅝	2⅛	2⅝	-⅛
Nabors	5980	32½	31¾	32	-⅛
NtPatnt	355	10½	10⅛	10½	-⅛
NY Times	2956	48	47	48	+⅛
Nestel	408	22⅛	20⅞	22	-⅛
NA Vacc	479	20⅝	19⅝	19⅝	-⅛
Nowaxr	124	4⅞	4⅛	4⅞	-⅛
Nstar n	105	2⅞	2	2⅞	+⅛
OSulvnC	107	10⅛	9⅝	10⅛	+⅛
OmniMed	172	⅞	⅞	⅞	+⅛
Oncor	444	4⅞	4⅛	4⅞	-⅛
Orgnogn s	333	18⅞	17⅝	18⅝	+⅛
Oshmn	104	5⅞	5⅝	5⅝	-⅛
OakdTE n	200	23⅞	22⅝	23⅝	[illegible]
PGECap pf	95	25⅛	25⅛	25⅛	-⅛
PLC Sys	2259	13⅛	12½	12⅝	+⅛
PMC	230	14⅛	14	14⅛	-⅛
PamHld	194	5	5	5	—
PanAmC n	194	7⅝	7	7⅝	+⅛
PazazC	1261	12⅝	11⅞	12	+⅛
PegGld	4592	4⅞	4⅝	4½	-⅛
PhilRef	671	1⅞	1⅛	1⅛	-⅛
Phoedel	1186	3	2⅝	2⅝	[illegible]
PinRsc	413	17⅛	16⅞	17⅛	+½
Polymed	213	10⅝	10	10⅝	+⅛
Polyph	362	1½	1⅛	1½	+⅛
PortSys	299	4⅞	4⅞	4⅞	-⅛
PrpdLg	551	24	23⅞	23⅞	-⅛
PrtCm	227	7⅝	7⅛	7⅝	—
Pricell s	258	8⅝	8½	8½	-⅛
ecPhoDat	110	1	1	1	—
PropCT s	144	7⅞	7	7⅞	-⅛
PsycCp	615	7⅛	6⅝	6⅞	-⅛
PuroWtr n	223	4⅞	3⅞	4⅜	+⅛
QC Opt n	114	4⅞	4⅝	4⅝	-⅛
QC Opt wt	120	⅜	⅛	⅛	-⅛
RF Pow	168	5⅝	5⅝	5⅝	-⅛
ReaGold	2058	⅞	⅞	½	-⅛
RedEmp	125	14	13⅝	14	-⅛
RegalBel	255	29⅛	29⅛	29⅛	-⅛
Rigel g	159	10⅛	10⅛	10⅛	—
RobertsPh	1308	11⅝	10⅝	11⅝	—
RoyalO g	2441	1⅞	1⅝	1⅞	—
RoyceM pf	210	25⅞	25⅛	25⅛	-⅛
SaboPet s	930	15⅛	14⅝	14⅝	-⅛
SMonBk	144	27⅞	27	27⅝	-⅛
SchulB s	128	17⅛	16⅝	16⅝	-⅛
ScotBcp	338	19⅝	18⅞	19⅝	+⅛
Selas s	213	12	11⅝	12	—
SilvrFds	150	⅞	⅝	⅞	—
ecSoligen	282	⅞	½	½	-⅛
SparkyCb	158	6⅛	6	6⅛	-⅛
SPDR	67997	92⅞	90⅝	92⅝	-⅛
SP Mid	1172	60⅞	59⅞	60⅝	+⅛
SterHous	121	24⅛	24	24	-⅛
StarTelA	268	1⅛	1⅛	1⅛	+⅛
StillwtrA	136	22⅛	21⅛	22	—
StrgCap	145	13⅞	12½	12⅝	-⅛
StratCp n	97	13⅛	13½	13⅛	-⅛
SubstAbs	1108	⅞	⅞	½	-⅛
Sulcus	437	1⅞	1⅝	1⅞	—
SumitTx	148	12	11⅞	12	+⅛
Suprler	145	1⅛	1⅛	1⅛	—
Suprmind	367	9	8⅞	9	—
TejaR	98	22⅝	22⅜	22⅝	-⅛
TelDta	876	38⅞	38½	38½	-⅛
TexBiotch	435	5	4⅝	5	+⅛
ThrmCd n	184	10⅝	9⅞	10⅝	+⅛
ThrmLase	277	16½	16⅛	16⅛	+⅛
ThrmBio n	163	14⅛	13⅝	14	-⅛
ThCardio	897	22⅛	21⅛	21⅞	-⅛
ThrEco s	152	13⅛	13¾	13½	+⅛
ThmFib	299	11⅝	11	11½	+⅛
ThrmUst	308	38⅞	38	38⅝	-⅛
ThrOptk	277	16⅞	16⅛	16⅝	-⅛
ThmoSenl	118	12⅛	12⅛	12⅛	-⅛
ThrmTer	137	10⅝	10⅛	10⅝	-⅛
Thrmolse	471	15⅝	15⅝	15⅛	-⅛
Thrmotrx	326	24⅛	23⅛	23⅝	-⅛
Tipperary	524	4⅞	4	4	-⅛
TofutBt s	133	17⅝	17	17⅝	-⅛
TopSrce	272	1⅛	1⅛	1⅛	+⅛
TotlPet	261	10	9⅞	9⅞	—
TownCtr	330	⅞	⅞	⅞	—
TWA	13187	7⅝	6⅝	7⅝	+⅛
Transnat	228	17⅛	16⅛	16⅞	+⅛
TrexMed	173	14⅛	14⅛	14⅛	[illegible]
TubMex	1674	19⅞	18⅝	19⅝	-⅛
US Lig n	453	14⅞	13⅞	14½	-⅛
UTI Eng	169	68⅝	66⅝	68⅝	-⅛
UniFirst	361	29⅞	28⅝	29	-⅛
Unilab	888	1⅞	1⅛	1⅞	-⅛
Unimar	280	4⅞	4½	4⅞	[illegible]
UniglMbl	584	7⅝	7⅛	7⅝	+⅛
USBiosci	1688	9⅝	9⅛	9½	-⅛
US Cell	481	30⅞	30½	30⅞	-⅛
UnitelV	271	7⅛	7	7⅛	-⅛
ValhRs	507	10⅝	10⅛	10⅝	-⅛
Viacom	234	30⅛	29½	30⅛	-⅛
ViacB	6442	30⅞	30⅛	30½	-⅛
Virco	131	32⅝	32	32⅝	-⅛
VisloG s	1737	⅞	¾	⅞	-⅛
Vitronc	196	1⅛	1⅛	1⅛	—
WRIT	742	16⅛	15⅞	16⅛	—
Webcolnd	136	7⅛	6⅝	6⅝	-⅛
WellGrd	114	5⅛	4⅞	5⅛	—
WIRET	8280	13⅞	13⅝	13⅞	—
WirelesT	464	11⅛	11½	11⅛	-⅛
WEB Bel	125	16⅛	16⅛	16⅛	-⅛
WEBGer	267	17	16⅞	17	-⅛
WEB HK	587	16⅛	16⅛	16⅝	-⅛
WEB Jpn	1642	13⅛	12⅞	13	-⅛
WEB Mex	411	16⅛	16⅛	16⅛	-⅛
WEB Sing	244	10⅛	9⅞	10	-⅛
WEB Spn	110	19⅞	19⅛	19⅛	-⅛
XCL Ltd	2694	⅛	⅛	⅛	-⅛

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7758.30	7893.95	7716.49	7884.89	-9.06
Trans	2908.30	2938.52	2901.91	2936.52	+4.04
Util	228.12	231.38	228.01	231.35	+1.94
Comp	2425.14	2459.80	2416.22	2459.27	+2.30

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1105.49	1084.40	1088.58	1086.94
Transp.	667.35	662.93	665.53	667.21
Utilities	199.12	196.16	196.44	198.22
Finance	108.37	105.90	106.41	105.93
SP 500	939.47	921.35	925.05	923.55
SP 100	914.77	895.65	899.31	896.93

NYSE

	High	Low	Last	Chg.
Composite	479.76	471.02	478.92	-0.84
Industrials	607.92	595.59	606.38	-0.64
Transp.	440.76	433.77	440.16	+0.13
Utility	286.06	281.53	285.77	-0.24
Finance	446.17	438.35	444.07	-2.10

Nasdaq

	High	Low	Last	Chg.
Composite	1598.75	1574.77	1598.75	-8.61
Industrials	1270.76	1254.66	1270.76	-3.91
Banks	1707.90	1696.99	1705.78	-0.95
Insurance	1704.86	1692.47	1704.86	+1.87
Finance	2031.08	2010.75	2024.06	-12.96
Transp.	1010.71	1003.34	1009.17	-4.83

AMEX

	High	Low	Last	Chg.
	646.56	640.96	643.83	-2.73

Dow Jones Bond

	Close	Chg.
20 Bonds	103.87	-0.12
10 Utilities	101.43	-0.41
10 Industrials	106.31	+0.16

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	101350	66⅛	62	65⅛	-¾
K mart	90194	14⅛	13⅝	14	+⅛
GenElec s	62784	65⅞	64	64⅛	-1⅛
ColHCA s	50556	33⅞	32⅝	32⅞	-⅝
PhilMor s	44567	44⅞	43⅞	43⅞	-1⅛
IBM s	39660	105	102⅞	104⅛	-1⅛
MicrnT	35637	45⅛	43⅛	44⅛	-1
BayNtwk	35611	36½	34⅝	35⅞	+⅛
CocaCl	35370	60⅛	58⅞	59⅛	-⅛
GnMotr	34282	64⅞	62⅞	64⅞	+1⅛
WalMart	33582	36⅛	35	36⅛	-⅛
AT&T s	32864	39	38⅝	39⅛	—
FordM	32315	42⅞	42⅛	42⅛	+⅛
TexInst	32196	126⅛	117½	117⅞	-7⅜
CypSem	31527	16⅝	15	16⅛	+⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
MCI	340107	31⅛	29¾	29⅞	-⅞
Intel s	273598	96⅞	91⅞	95¼	-2¼
Novell	109862	8⅞	8⅛	8⅜	-⅜
DellCpt s	91778	85⅛	82⅛	84⅛	-1⅛
ApldMat	90387	102⅞	98⅞	101⅞	-2⅛
Microsft s	88297	137⅞	134⅛	137⅛	-⅛
SunMic s	77947	51⅛	49⅛	50⅛	-⅛
Cisco	69411	77⅛	74⅞	76⅛	-⅛
Oracle s	67701	40⅛	38⅛	40⅛	+⅛
SystSft	62601	9⅛	8	9⅛	-2⅛
PairgTch	60074	25⅞	24	25⅞	+⅛
Ascend	54520	47⅞	45⅞	45⅞	-⅛
Intel wt s	54345	75⅞	70⅞	75⅛	-2
3Com	55627	53	51⅞	52⅛	-⅛
McAfee	49618	56⅛	54⅛	55	-⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	67997	92⅞	90⅝	92⅝	+⅛
Hasbro s	18226	27⅞	26⅞	27⅞	-⅛
DI Ind	14983	6⅛	5⅞	5⅞	-⅛
TWA	13187	7⅝	6⅝	7⅝	—
JTS Corp	9476	½	⅜	⅞	-⅛
WIRET	8280	13⅞	13⅝	13⅞	—
Amdhl	6805	12⅞	12⅛	12⅝	+⅛
PegGld	6592	4⅞	4½	4⅞	-⅛
ViacB	6442	30⅞	30⅛	30½	-⅛
Nabors	5980	32½	31¾	32	-⅛

Trading Activity

NYSE	Close	Prev.	Nasdaq	Close	Prev.
Advanced	992	909	Advanced	993	1815
Declined	1906	1937	Declined	2416	2230
Unchanged	479	542	Unchanged	1913	1705
Total issues	3377	3388	Total issues	5322	5750
New Highs	57	126	New Highs	45	210
New Lows	28	10	New Lows	67	64

AMEX	Close	Prev.
Advanced	194	250
Declined	365	305
Unchanged	165	172
Total issues	724	727
New Highs	15	31
New Lows	9	4

Market Sales

	Today 4:00	Prev. cons.
NYSE	462.44	600.56
Amex	26.48	33.99
Nasdaq	595.39	703.62

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Torch Energy	-	.359	9-2	9-12
STOCK SPLIT				
Edwards,AG 3 for 2 split.				
Emco Intl 2 for 1 split.				
FstMerit Corp 2 for 1 split.				
P-Com Inc 2 for 1 split.				
Proffitts Inc 2 for 1 split.				
STOCK				
Citizens Util A	-	1⅝%	9-1	9-30
Mid-Am Inc	-	10%	9-2	9-15
INCREASED				
Fst Fed Fin KY.	Q	.14	9-15	10-1
Global Util Fd A.	Q	.1275	8-26	8-29
SPECIAL				
GulfCdaResou ad	-	.01	8-29	9-12
INITIAL				
Edwards,AG n	-	.13	9-5	10-1
Ensco Intl	-	.05	9-2	9-15
FstMeri Cp n	-	.16	9-2	9-15
Home Depot n	-	.05	9-11	9-25
Reliance Stl n	-	.035	8-28	9-4
REGULAR				
Amcast Indust	Q	.14	9-12	9-30
American Bk CT.	Q	.36	9-12	9-26
Commcl Bkshrs	Q	.08	9-12	10-1
Cyprus Amax	Q	.20	10-10	11-3
Excel Indust	Q	.125	10-6	10-22
Hudsons Bay Co g	Q	.18	10-8	10-31
Intimate Brands	Q	.13	9-5	9-16
Limited Inc	Q	.12	9-5	9-16
MTS Systems	Q	.10	9-5	10-1
Mattel INc	Q	.07	9-12	10-3
Pac Scientific	Q	.03	9-19	10-6
Penn-Amer Grp	Q	.04	9-5	9-19
Perkin Elmer	Q	.17	9-2	10-1
Piedmont Natur	Q	.305	9-24	10-15
Riviana Foods	Q	.10	9-10	10-13
Ross Stores	Q	.045	9-5	10-6
Scientific Atlanta	Q	.015	9-9	9-24
Sth Jersey Ind	Q	.36	9-10	9-30
Sterling Bncp NY.	Q	.09	9-15	9-30
Thiokol Corp	Q	.20	8-29	9-12
Tri-County Bncp	Q	.15	9-2	9-30

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 22, 1997

Grains

	High	Low	Latest	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	272½	270½	271¼	-1¼	37,288
Dec 97	278	274½	277½	-¼	174,972
Mar 98	286½	282½	286¼	unch.	40,375
May 98	290¾	287½	290½	unch.	10,956
Jul 98	293½	290	293¼	+¼	18,279
Sep 98	276	273	274	-1	1,583
Dec 98	272½	269	271¼	-1¼	10,188
Est. sales 50,000 Thu's sales 83,702					
Thu's open int 293,747, up 12,033					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Sep 97	239.80	234.60	239.60	+3.40	25,603
Oct 97	212.90	211.00	212.80	-0.20	15,895
Dec 97	203.10	200.50	202.20	-0.70	42,616
Jan 98	199.30	198.00	198.50	-0.80	7,074
Mar 98	195.00	193.50	194.00	-1.20	9,372
May 98	194.00	192.80	193.00	-2.20	4,388
Est. sales 21,000 Thu's sales 17,586					
Thu's open int 109,950, up 1,405					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Sep 97	23.10	22.75	22.97	+0.02	16,437
Oct 97	23.30	22.90	23.16	+0.06	14,301
Dec 97	23.70	23.21	23.46	+0.01	42,005
Jan 98	23.85	23.45	23.66	-0.04	8,164
Mar 98	24.10	23.75	23.97	unch.	6,533
May 98	24.25	23.80	24.05	-0.15	2,152
Est. sales 17,500 Thu's sales 18,943					
Thu's open int 92,905, off 2,297					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	663½	653	661½	+3¼	13,185
Nov 97	624½	616½	621½	-2½	83,574
Jan 98	626½	620	623½	-2¼	17,318
Mar 98	634¼	629	633½	-1¼	7,076
May 98	642½	637	641	-1	5,602
Est. sales 47,000 Thu's sales 33,963					
Thu's open int 135,044, up 461					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	372½	368	368¾	-¾	19,906
Dec 97	387½	382½	383½	-1	58,673
Mar 98	399	394	396¼	-¼	16,888
May 98	400½	397½	398	-1¼	1,984
Est. sales 13,000 Thu's sales 19,084					
Thu's open int 105,841, off 937					

Livestock

	High	Low	Latest	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb					
Aug 97	67.50	65.45	66.37	-0.57	682
Oct 97	69.00	67.60	68.92	+0.35	48,429
Dec 97	70.40	69.40	70.37	+0.02	22,744
Feb 98	72.60	71.90	72.55	+0.12	11,340
Apr 98	74.60	73.90	74.52	+0.15	5,513
Jun 98	71.40	70.75	71.35	+0.10	3,422
Est. sales 16,180 Thu's sales 15,215					
Thu's open int 92,668, off 557					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 97	80.90	80.40	80.90	+0.37	3,712
Sep 97	80.40	79.00	80.32	+0.75	3,746
Oct 97	79.87	78.90	79.75	+0.27	6,312
Nov 97	80.95	80.17	80.72	-0.05	4,177
Jan 98	81.35	80.90	81.25	-0.17	2,155
Mar 98	81.15	80.60	81.05	-0.20	1,142
Est. sales 3,883 Thu's sales 4,467					
Thu's open int 21,856, up 86					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Aug 97			79.15	unch.	4,922
Oct 97	71.05	69.85	71.02	+0.77	17,904
Dec 97	67.80	66.75	67.70	+0.55	6,413
Feb 98	66.95	65.70	66.92	+0.60	2,779
Apr 98	62.87	62.30	62.70	+0.20	1,614
Est. sales 5,287 Thu's sales 3,694					
Thu's open int 30,541, up 220					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Aug 97	86.77	85.55	86.37	-0.02	472
Feb 98	72.00	69.50	71.57	+0.52	3,488
Mar 98	72.20	69.80	71.95	+0.55	317
Est. sales 1,311 Thu's sales 701					
Thu's open int 4,334, off 120					

Food

	High	Low	Latest	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1592	1564	1583	-22	1,186
Dec 97	1612	1588	1601	-17	39,569
Mar 98	1639	1619	1629	-17	26,639
May 98	1659	1638	1648	-16	12,252
Jul 98	1671	1657	1666	-18	2,628
Sep 98	1688	1683	1683	-23	3,964
Est. sales 8,989 Thu's sales 12,751					
Thu's open int 101,042, up 1,367					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Sep 97	176.00	170.50	171.30	-0.25	1,445
Dec 97	165.30	157.40	159.35	-2.60	9,916
Mar 98	150.00	144.50	146.25	-1.25	3,934
May 98	144.00	139.50	140.75	-1.50	1,275
Jul 98	139.00	134.00	135.75	-1.75	993
Est. sales 3,925 Thu's sales 10,153					
Thu's open int 17,981, off 514					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	11.80	11.57	11.79	+0.19	95,233
Mar 98	12.04	11.84	12.00	+0.11	67,610
May 98	12.00	11.84	12.00	+0.14	14,510
Jul 98	11.87	11.75	11.87	+0.10	10,300
Est. sales 15,434 Thu's sales 20,529					
Thu's open int 200,287, off 3,041					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	68.50	67.60	67.80	-0.50	9,941
Nov 97	70.50	69.60	69.65	-0.45	13,138
Jan 98	73.40	72.60	72.75	-0.25	6,092
Mar 98	76.20	75.60	75.75	-0.25	3,908
Est. sales N.A. Thu's sales 3,409					
Thu's open int 34,963, up 249					

Metals

	High	Low	Latest	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Aug 97	327.70	323.50	326.20	+3.00	344
Sep 97			326.80	+3.00	2
Oct 97	329.80	323.20	327.80	+3.00	16,001
Dec 97	331.80	325.00	329.70	+3.10	109,558
Feb 98	332.50	328.50	331.40	+3.10	14,691
Apr 98			333.30	+3.20	5,393
Jun 98	335.60	332.40	335.60	+3.30	7,897
Aug 98			337.80	+3.30	3,121
Oct 98			340.10	+3.40	111
Est. sales 46,000 Thu's sales 26,616					
Thu's open int 196,439, up 552					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Aug 97	100.00	98.10	100.00	+0.85	1,007
Sep 97	100.30	97.50	99.95	+0.85	18,432
Oct 97	100.25	98.20	100.05	+0.70	2,092
Nov 97	100.05	98.00	100.05	+0.95	1,493
Dec 97	100.40	97.60	99.75	+0.65	12,081
Jan 98	99.85	98.20	99.85	+0.75	742
Feb 98	99.25	98.00	99.25	+0.60	696
Mar 98	99.20	97.40	98.90	+0.60	2,712
Apr 98			98.30	-0.55	496
Est. sales 12,000 Thu's sales 7,697					
Thu's open int 45,681, off 81					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Aug 97			467.70	+17.80	24
Sep 97	470.00	446.50	468.20	+17.70	38,788
Oct 97			471.90	+17.70	78
Dec 97	477.00	454.00	475.20	+17.90	28,235
Jan 98	476.80	470.00	476.80	+17.90	22
Mar 98	483.00	464.00	482.00	+18.10	10,887
May 98	486.30	472.00	486.30	+18.20	3,076
Est. sales 31,000 Thu's sales 18,212					
Thu's open int 88,434, off 375					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	416.00	409.00	409.40	-2.60	10,273
Jan 98	410.50	403.90	403.90	-2.60	2,620
Apr 98	408.00	398.40	398.40	-2.60	425
Jul 98			394.40	-2.60	2
Est. sales N.A. Thu's sales 1,133					
Thu's open int 13,320, off 394					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1671.00	1673.00	1685.00	1688.00
Forward	1626½	1627½	1631.00	1632.00
Copper Cathodes (High Grade)				
Spot	2172.00	2173.00	2192.00	2195.00
Forward	2161.00	2162.00	2182.00	2183.00
Lead				
Spot	613.00	614.00	605.00	606.00
Forward	624.00	625.00	617.00	618.00
Nickel				
Spot	6555.00	6565.00	6590.00	6600.00
Forward	6653.00	6654.00	6690.00	6700.00
Tin				
Spot	5325.00	5345.00	5335.00	5345.00
Forward	5385.00	5395.00	5380.00	5390.00
Zinc (Special High Grade)				
Spot	1664.00	1668.00	1665.00	1669.00
Forward	1484.00	1486.00	1488.00	1489.00

Financial

	High	Low	Close	Chge	OpInt
US T BILLS (CMER) $1 million- pts of 100 pct.					
Sep 97	94.94	94.91	94.92	+0.01	7,280
Mar 98			94.75	+0.02	1,031
Est. sales N.A. Thu's sales 262					
Thu's open int 10,491, up 14					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	106-58	106-37	106-45	-13	191,239
Dec 97	106-35	106-20	106-27	-14	32,781
Est. sales 58,500 Thu's sales 59,900					
Thu's open int 224,020, up 2,766					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	109-07	108-21	108-27	-12	314,489
Dec 97	108-28	108-11	108-16	-12	95,873
Mar 98	108-07	108-05	108-05	-12	1,944
Est. sales 190,091 Thu's sales 120,970					
Thu's open int 412,306, up 5,254					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	113-08	112-06	112-16	-23	486,114
Dec 97	112-21	111-26	112-04	-23	72,495
Mar 98	112-01	111-20	111-25	-24	32,594
Jun 98			111-12	-25	2,388
Est. sales 550,000 Thu's sales 371,781					
Thu's open int 595,276, off 893					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	114-26	113-29	114-05	-0-25	160,718
Dec 97	114-15	113-18	113-26	-0-25	12,366
Est. sales: 131,059. Prev. sales: 56,433					
Prev. open int.: 172,984 off 2,006					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.43	101.82	102.02	-0.61	234,271
Dec 97	101.55	100.96	101.15	-0.61	29,123
Est. sales: 189,189 Prev. sales: 110,160					
Prev. open int.: 263,394 off 3,177					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	129.86	129.26	129.44	—0.68	152,970
Dec 97	98.90	98.30	98.46	—0.68	14,254
Est. sales: 138,701.					
Open int.: 167,224 up 633.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	136.38	135.40	135.89	—0.66	96,428
Dec 97	108.37	107.70	108.06	—0.53	21,618
Est. sales: 52,233. Prev. sales: 45,224					
Prev. open int.: 118,046 off 550					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Sep 97	94.36	94.35	94.36	unch.	16,170
Oct 97	94.34	94.32	94.33	unch.	7,948
Nov 97	94.29	94.27	94.29	unch.	7,576
Est. sales N.A. Thu's sales 1,792					
Thu's open int 39,127, up 288					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Sep 97	94.28	94.25	94.27	unch.	485,069
Oct 97	94.19	94.17	94.18	unch.	4,587
Dec 97	94.12	94.05	94.09	unch.	484,932
Mar 98	94.03	93.96	94.00	-0.01	343,900
Jun 98	93.92	93.85	93.88	-0.02	277,922
Sep 98	93.81	93.75	93.79	-0.02	221,494
Dec 98	93.70	93.64	93.67	-0.03	185,675
Mar 99	93.69	93.61	93.64	-0.04	131,705
Jun 99	93.61	93.56	93.59	-0.03	102,647
Sep 99	93.56	93.53	93.55	-0.04	85,389
Dec 99	93.49	93.46	93.47	-0.05	74,425
Mar 00	93.48	93.45	93.46	-0.06	65,158
Est. sales N.A. Thu's sales 339,364					
Thu's open int 2,775,974, up 8,701					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.6148	1.5840	1.6084	+.0168	50,761
Dec 97	1.6072	1.5900	1.6026	+.0164	1,189
Mar 98			1.5960	+.0162	208
Est. sales N.A. Thu's sales 9,714					
Thu's open int 52,159, up 414					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7198	.7172	.7194	+0.0019	64,813
Dec 97	.7240	.7207	.7231	+0.0019	5,599
Mar 98	.7260	.7251	.7260	+0.0019	717
Est. sales N.A. Thu's sales 12,790					
Thu's open int 71,394, up 6,659					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5545	.5449	.5520	+0.0073	100,732
Dec 97	.5575	.5527	.5552	+0.0074	4,790
Mar 98	.5600	.5583	.5583	+0.0074	1,376
Est. sales N.A. Thu's sales 37,096					
Thu's open int 107,010, off 2,096					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8648	.8479	.8481	-0.0079	77,001
Dec 97	.8760	.8588	.8593	-0.0079	2,416
Mar 98			.8709	-0.0079	538
Est. sales N.A. Thu's sales 13,847					
Thu's open int 79,964, up 1,246					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6735	.6620	.6692	+0.0072	52,478
Dec 97	.6805	.6740	.6760	+0.0071	2,555
Mar 98	.6855	.6819	.6828	+0.0070	1,058
Est. sales N.A. Thu's sales 9,021					
Thu's open int 56,401, off 350					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12785	.12670	.12775	+.00603	21,866
Dec 97	.12290	.12190	.12280	+.00496	14,094
Mar 98	.11860	.11760	.11850	+.00426	5,581
Est. sales N.A. Thu's sales 9,929					
Thu's open int 43,453, off 441					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.72	92.67	92.70	—0.01	108,604
Dec 97	92.56	92.51	92.54	—0.02	125,358
Mar 98	92.53	92.47	92.51	—0.03	101,775
Jun 98	92.56	92.49	92.53	—0.04	73,298
Sep 98	92.62	92.54	92.58	—0.06	56,194
Dec 98	92.69	92.63	92.64	—0.07	47,960
Est. sales: 75,785. Prev. sales: 74,012					
Prev. open int.: 644,928 up 8,745					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 97	96.63	96.60	96.61	—0.01	247,082
Oct 97	N.T.	N.T.	96.54	—0.01	1,903
Dec 97	96.42	96.38	96.39	—0.03	296,350
Mar 98	96.28	96.23	96.23	—0.06	278,280
Jun 98	96.06	95.99	96.02	—0.06	213,308
Sep 98	95.85	95.79	95.81	—0.06	145,029
Dec 98	95.62	95.55	95.58	—0.06	154,558
Mar 99	95.44	95.37	95.39	—0.07	125,698
Jun 99	95.29	95.22	95.24	—0.07	69,826
Est. sales: 206,231. Prev. sales: 184,760					
Prev. open int.: 1,682,490 up 1,749					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.52	96.49	96.51	—0.01	64,616
Dec 97	96.33	96.26	96.30	—0.04	36,955
Mar 98	96.22	96.16	96.19	—0.04	31,277
Jun 98	96.08	96.02	96.05	—0.05	25,166
Sep 98	95.94	95.88	95.92	—0.04	30,274
Dec 98	95.75	95.69	95.73	—0.05	26,675
Mar 99	95.59	95.53	95.55	—0.06	24,129
Jun 99	95.42	95.38	95.38	—0.07	8,636
Sep 99	95.27	95.26	95.26	—0.05	6,602
Est. sales: 76,716.					
Open int.: 266,579 off 1,239.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.28	93.22	93.26	—0.03	97,361
Dec 97	93.66	93.55	93.61	—0.06	92,664
Mar 98	93.96	93.88	93.92	—0.05	54,986
Jun 98	94.21	94.14	94.18	—0.04	44,539
Sep 98	94.34	94.28	94.33	—0.03	37,322
Dec 98	94.40	94.34	94.37	—0.05	28,685
Est. sales: 46,498. Prev. sales: 36,952					
Prev. open int.: 382,655 up 1,157					

Industrials

	High	Low	Latest	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	73.80	73.45	73.69	-0.10	7,888
Dec 97	73.95	73.75	73.82	-0.07	42,811
Mar 98	75.15	75.01	75.08	-0.02	12,059
May 98	75.85	75.65	75.85	unch.	4,903
Jul 98	76.55	76.40	76.43	-0.17	4,897
Est. sales N.A. Thu's sales 5,526					
Thu's open int 79,940, up 635					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Sep 97	54.00	53.30	53.41	-0.07	27,486
Oct 97	55.25	54.15	54.22	-0.16	39,676
Nov 97	55.80	55.17	55.17	-0.16	19,989
Dec 97	56.65	56.07	56.07	-0.11	21,704
Jan 98	57.40	56.60	56.67	-0.11	16,619
Feb 98	57.45	56.82	56.82	-0.06	9,063
Mar 98	56.45	56.07	56.07	+0.04	7,469
Est. sales N.A. Thu's sales 53,064					
Thu's open int 153,492, up 2,600					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Oct 97	19.88	19.63	19.70	+0.04	106,684
Nov 97	19.98	19.78	19.81	+0.03	44,657
Dec 97	20.03	19.87	19.89	+0.04	50,070
Jan 98	20.05	19.90	19.92	+0.04	30,388
Feb 98	20.05	19.91	19.93	+0.04	14,895
Mar 98	20.05	19.93	19.93	+0.04	9,106
Est. sales N.A. Thu's sales 112,942					
Thu's open int 405,456, off 14,444					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Sep 97	2.460	2.351	2.453	+0.086	31,208
Oct 97	2.485	2.370	2.475	+0.077	51,794
Nov 97	2.630	2.520	2.610	+0.078	17,974
Dec 97	2.735	2.650	2.725	+0.063	19,104
Jan 98	2.750	2.665	2.736	+0.061	18,503
Feb 98	2.560	2.480	2.550	+0.055	13,758
Est. sales N.A. Thu's sales 71,990					
Thu's open int 224,495, off 1,399					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Sep 97	68.30	65.75	67.48	+0.33	28,970
Oct 97	61.00	60.15	60.91	+0.72	33,137
Nov 97	58.15	57.60	58.11	+0.52	11,827
Dec 97	57.30	56.90	57.23	+0.44	12,595
Jan 98	57.10	56.85	57.05	+0.36	11,534
Feb 98	57.35	57.10	57.25	+0.36	3,555
Mar 98			57.85	+0.36	4,721
Apr 98			60.50	+0.36	2,403
Est. sales N.A. Thu's sales 43,981					
Thu's open int 111,005, off 248					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	168.00	166.50	166.50	—2.50	21,297
Oct 97	169.75	168.50	168.75	—2.25	17,133
Nov 97	171.50	170.50	168.75	—2.00	7,777
Dec 97	173.25	172.25	172.50	—2.00	14,169
Jan 98	174.25	173.25	173.50	—1.75	8,192
Feb 98	174.25	173.50	173.50	—1.25	5,246
Mar 98	N.T.	N.T.	172.00	—0.75	2,476
Est. sales: 20,567. Prev. sales: 10,711					
Prev. open int.: 82,699 up 1,110					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Oct 97	18.67	18.50	18.54	+0.03	83,142
Nov97	18.79	18.62	18.63	Unch.	22,568
Dec97	18.89	18.74	18.75	+0.01	20,059
Jan98	18.93	18.82	18.79	Unch.	16,359
Feb98	18.88	18.81	18.76	+0.01	7,064
Mar 98	18.76	18.75	18.64	+0.01	2,637
Est. sales: 27,681. Prev. sales: 42,426					
Prev. open int.: 162,923 up 3,964					

Stock Indexes

	High	Low	Latest	Chge	OpInt
SP COMP INDEX (CMER) 500 x index					
Sep 97	927.60	906.00	922.90	-4.15	183,160
Dec 97	932.00	916.00	928.50	-8.05	12,616
Mar 98			946.80	unch.	2,308
Est. sales N.A. Thu's sales 68,741					
Thu's open int 198,793, off 1,578					
CAC 40 (MATIF) FF200 per index point					
Aug 97	2958.0	2883.0	2907.0	—58.0	29,733
Sep 97	2959.0	2893.5	2914.5	—58.5	24,934
Dec 97	2972.0	2948.0	2939.0	—58.0	931
Mar 98	N.T.	N.T.	2964.0	—58.0	9,480
Jun 98	N.T.	N.T.	2937.5	—58.0	1,450
Est. sales: 24,119.					
Open int.: 74,814 up 2,242.					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	4977.0	4960.0	4984.0	—100.0	70,558
Dec 97	5136.0	4964.0	4955.0	—103.0	7,044
Est. sales: 18,040. Prev. sales: 8,053					
Prev. open int.: 78,171 off 428					

Commodity Indexes

	Close	Previous
Moody's	1,565.50	1,555.90
Reuters	1,895.40	1,890.50
D.J. Futures	148.73	148.75
CRB	238.64	237.75

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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EUROPE

EU Finds U.S. Allies For Weakening BA-American Pact

Compiled by Our Staff From Dispatches

BRUSSELS — The European Union's top antitrust official said Friday that U.S. lawmakers shared his concerns about the British Airways-American Airlines alliance, raising speculation that the two carriers might scale down their plans.

Karel Van Miert, the European commissioner for competition, said the two sides had found common ground on several issues, including the EU's demands for steep concessions on giving rival airlines takeoff and landing slots at London's Heathrow Airport.

Many analysts now say the carriers will form a looser marketing pact.

"It looks as if they're heading toward Plan B," said Guy Kekwick of Goldman, Sachs & Co.

British Airways PLC shares finished down 5 pence at 564 ($10.38). In late trading in New York, stock in AMR Corp., the parent of American Airlines, was down $1.3125 at $104.875.

A 12-member delegation from the House of Representatives Transportation and Infrastructure Committee met Friday with Mr. Van Miert, following meetings with Robert Ayling, chief executive of British Airways, and Richard Branson, the chairman of Virgin Atlantic Airways who is the chief critic of the alliance.

Mr. Van Miert has been among the most vocal opponents of the plan by the two carriers to share revenue across the Atlantic, to funnel passengers to each other throughout the world and unite their frequent flier programs. The alliance was proposed in June 1996, raising intense opposition from rivals.

British Airways and American Airlines have until the beginning of September to reply to demands made by the European Commission in return for clearing their proposed alliance, a spokeswoman for the EU executive body said Friday.

An EU draft recommendation called on the airlines to give up 350 weekly slots at Heathrow, enough for 25 daily competing round-trip flights. American Airlines said the demand was steep enough to wreck the alliance plan.

Many analysts said that the scale of the opposition have proved too great and that the carriers had already begun to speak privately about a looser plan. A simple "code-sharing" agreement, for instance, would allow them to put their flight prefixes on each other's routes beyond gateway airports and sell them as their own.

(Bloomberg, Reuters)

Iberia Hunger Strikers Eat

Forty-four employees of Iberia Air Lines of Spain, who had been on a hunger strike on the island of Ibiza over working conditions, began eating again after agreement was reached with the carrier's management, AFX News reported, quoting union sources.

Muslim Cleric Approves of Bank Interest

Agence France-Presse

ABU DHABI — A leading Muslim cleric said in an interview published Friday that he approved of bank interest, an issue that has split Muslims worldwide.

"I will give you a final and decisive *fatwa*," or Muslim edict, said Sheikh Nasr Farid Wassel of Egypt, the most populous Arab nation.

"So long as the banks invest the money in *halal*," or permitted fields, the mufti told the United Arab Emirates daily Al Ittihad, "then the transaction is halal."

"The issue is an investment from money," he said. "Except this, it is prohibited."

"There is no such thing as an Islamic or non-Islamic bank," he added. "So let us stop all this controversy about bank interest."

Many Muslims oppose bank interest, considering it usury, which is prohibited under Islam. Most strict Muslims put their money in banks that do not deal in interest.

East Europe Targets Tourists

By Justin Keay
Special to the Herald Tribune

SOFIA — It isn't so much the small towels or creative interpretation of soap — visitors to Eastern Europe have known about these shortcomings for years — but when you cannot find a single wall socket in your hotel room, the vacation takes on a whole new aspect, even if it only did cost $350 for a week's stay.

What is keeping the travel industry in Romania and Bulgaria from showing the kind of rapid, foreign-exchange-earning growth of neighboring countries such as Hungary and the Czech Republic, is the Communist-era mentality that so far has minimized investment in facilities and infrastructure.

Until now, maybe. New center-right governments are prioritizing privatization and restructuring in the tourism sector in a bid to draw visitors — and much needed foreign exchange, particularly from such key markets as Germany and France.

"Officials have finally realized that tourism can be switched on fairly rapidly," says James Flannery, a European Union consultant working in Bulgaria's Ministry of Tourism.

By Balkan standards, activity has been swift. Romania's capital, Bucharest, has abolished a dual-pricing policy, under which foreigners were charged several times more than locals for hotels. In early May the government announced it was to increase private sector activity — currently under 5 percent of tourism earnings — through the sale of 53 tourism companies. This will lead to the eventual privatization of hundreds of restaurants and hotels, including properties in choice locations such as Poina Brasov and the Black Sea coast, throwing them open to Western investment.

In Sofia, Bulgaria's capital, authorities have abolished visas for most European nationals and announced plans to press ahead with privatizing hotels and attracting Western investment, in line with a tourism master plan started last year and sponsored by PHARE, the EU's program to aid Eastern Europe. "We are at the foundation-laying stage," Mr. Flannery said. "We seek to improve training and look at the whole issue of marketing. There is a lot to be done."

Last year only 2.8 million people visited Romania, less than a 10th of the number who visited much smaller Hungary. In 1995, 8 million visited Bulgaria, but that was 20 percent down on 1994.

Both countries boast fine beaches — many of Bulgaria's have the EU's coveted Blue Flag Award for cleanliness and safety — and impressive mountains with adequate, albeit aged skiing facilities. They also have an abundance of attractive historic cities.

Romania faces the biggest hurdles. Years of under-investment under the dictator Nicolae Ceausescu and inactivity by the previous, leftist government have left facilities at many resorts in shambles.

Bulgaria, which adopted a tourism master plan in 1996, a year after Romania rejected a similar plan as too radical, is better placed.

Tax Plan Hurts French Carmakers

Bloomberg News

PARIS — Shares of Renault SA and PSA Peugeot Citroen SA, among Europe's leading producers of diesel vehicles, fell Friday after the French government indicated it was considering raising its tax on diesel fuel.

Such a tax rise would weaken demand for diesel cars, further hurting French automakers, whose domestic new-car sales were already tumbling.

Renault shares finished down 6 francs at 163 ($26.19), while Peugeot shares fell 21 francs to 670.

Representatives for the two companies said they did not want to comment because the government had yet to make a decision.

Diesel currently costs an average of 4.40 francs per liter, compared with 6.31 francs per liter for unleaded gasoline. Some 39 percent of all cars in France use diesel fuel, according to the French car association CCFA.

The newspaper La Tribune said the government could increase tax revenue by 28 billion francs if it made diesel fuel as expensive as gasoline. Such a windfall could help France reduce its budget deficit, making it easier to meet the fiscal criteria to qualify for the single European currency in 1999.

Acquisitions Lift Rabobank's Net 17%

Bloomberg News

AMSTERDAM — Rabobank Nederland said Friday that its first-half net profit rose 17 percent from a year earlier on acquisitions and increased demand for its services.

The bank, the Netherlands' third largest after ABN Amro Bank NV and ING Bank NV, said it earned 994 million guilders ($477.9 million).

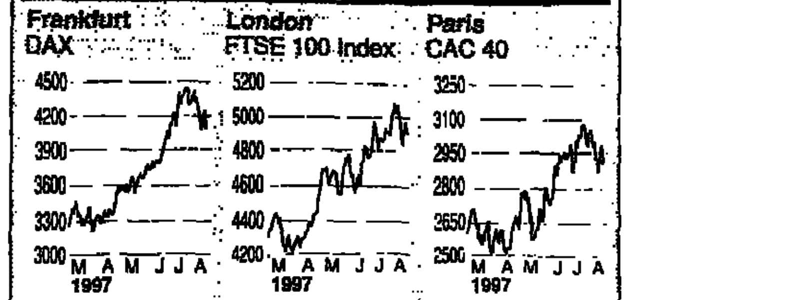
Rabobank said it expected net profit for the year to be higher because of continued growth in the Netherlands and overseas.

The bank's acquisition of a 50 percent stake in Robeco Groep NV, an asset-management group, was a key factor in its results, raising commission income and adding 2.5 billion guilders to its loan portfolio. Rabobank has an option to acquire the other 50 percent of Robeco.

The acquisition of 50 percent of Agricredit Acceptance Corp. by Radobank's De Lage Landen unit also helped earnings, the bank said.

Rabobank's private-sector lending rose 14 percent domestically, to 173.7 billion guilders, and 17 percent internationally, to 50.1 billion guilders. International lending rose in part because of the strength of the dollar and pound.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	918.42	950.29	-3.35
Brussels	BEL-20	2,367.34	2,420.60	-2.20
Frankfurt	DAX	4,086.01	4,253.67	-3.94
Copenhagen	Stock Market	638.44	637.14	-1.05
Helsinki	HEX General	3,441.48	3,557.70	-3.27
Oslo	OBX	680.37	689.27	-1.29
London	FTSE 100	4,901.10	4,978.00	-1.54
Madrid	Stock Exchange	582.56	589.19	-1.13
Milan	MIBTEL	14198	14367	-1.18
Paris	CAC 40	2,904.23	2,957.23	-1.79
Stockholm	SX 16	3,406.06	3,494.86	-2.54
Vienna	ATX	1,330.02	1,388.21	-4.19
Zurich	SPI	3,535.06	3,640.75	-2.90

Source: Telekurs — International Herald Tribune

Very briefly:

- **Aegon NV's** second-quarter net profit rose 31 percent, to 503 million guilders ($241.8 million), against the like quarter last year. It said strong gains in revenue from life and pension insurance should help full-year earnings grow 25 percent.
- **Bayer AG**, the German chemicals and pharmaceuticals group, said it planned to spend a record 5 billion Deutsche marks ($2.69 billion) on research and capital investments in Europe this year.
- **Mercedes-Benz AG**, the luxury car-making division of **Daimler-Benz AG**, said it would price its new ML230 sports-utility vehicle at 60,950 DM when it goes on sale in Germany early next year.
- **Karstadt AG's** first-half sales dropped 1.3 percent, to 12 billion DM, as the retailer closed some of its Hertie department stores.
- **Nordbanken AB**, said it saw nothing to prevent it from resuming merger talks with **Skanndinaviska Enskilda Banken AB**, although no such talks were under way. Talks between the state-controlled Swedish bank and S-E-Banken, which is part of the empire of the Wallenberg family, failed in early February.
- **Interbrew SA** of Belgium said it had sold its bottled water and carbonated beverage unit, **Chaudfontaine Monopole SA**, to a group of international investors. The amount of the sale was not disclosed.
- **The London Tea Brokers' Association** reported that sharply reduced Kenyan production had helped push wholesale tea prices to their highest levels in more than four years.
- **Saga Petroleum ASA's** president, Asbjoern Larsen, announced in Oslo that he would step down after 20 years of leading the concern.
- **Oerlikon-Buehrle Group** of Switzerland said Ernst Thomke, chairman of its **Bally** shoe and handbag unit, resigned because of "irreconcilable differences."

Bloomberg, Reuters, AP

WORLD STOCK MARKETS

Friday, Aug. 22
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 918.42 Previous: 950.29

	High	Low	Close	Prev.
ABN-AMRO	45.20	40.70	44.40	45.40
Aegon	158.90	151	156.10	156.20
Ahold	57.60	52.50	55.60	58
Akzo Nobel	338	331.50	334.20	338.50
Baan Co.	145.50	136	142	146.80
Bols Wess cva	40.30	38.30	39.40	40.30
CSM cva	100.50	99.60	100.40	103
Dordtsche Pet	110.50	104.50	107	111.40
DSM	207.20	197.50	201	207.80
Elsevier	32.50	30.50	31	32.90
Fortis Amev	88.50	83	85	88.70
Getronics	65	61.20	63	65.40
G-Broc cva	60.90	59	60	61
Hagemeyer	106.50	99	104.50	106.50
Heineken	339.20	324	331	344
Hoogovens cva	131.90	126	129.50	132.50
Hunt Douglas	92.50	89.50	90	93.20
ING Group	95.40	91.10	93.70	96.40
KLM	76	72.40	74.50	77.40
KNP BT	48.10	45	46.50	47.90
KPN	79.30	75.50	77.60	80
Nedlloyd Gp	66.60	62.50	65	66.70
Nutricia	345	331.50	342.50	354.90
Oce Grinten	251	244	247.90	253.20
Philips Elec	157.80	145.10	150.50	159.50
Polygram	112.60	105	111	112.90
Randstad Hdg	85	80.10	81.30	86.50
Robeco	200	196	197.50	203
Rodamco	64.20	62	63.50	64.50
Rolinco	201.90	200	200.50	205
Rorento	117.60	116.70	117	118
Royal Dutch	109.50	104.10	105.50	111
Unilever cva	452.90	432	447	457.50
Vendex Intl	109	103.50	106	109.90
VNU	45.80	43	43.60	46
Wolters Kl cva	259	246.60	252.70	260.90

Bangkok
SET index: 559.59 Previous: 583.84

	High	Low	Close	Prev.
Adv Info Svc	200	180	183	200
Bangkok Bk F	210	196	204	210
Krung Thai Bk	26.75	24.75	25	26.75
PTT Explor	360	346	350	362
Siam Cement F	620	582	588	616
Siam Com Bk F	103	93	95.50	103
Telecomasia	39.75	37.50	38.50	40.25
Thai Airways	44.50	41.25	41.50	45
Thai Farm Bk F	124	113	117	124
Utd Comm	111	105	109	111

Bombay
Sensex 30 index: 4047.67 Previous: 4224.43

	High	Low	Close	Prev.
Bajaj Auto	853	837	849.25	852.75
Hindust Lever	1406	1370	1376.75	1441.75
Hindust Petlm	484	455.25	457.25	484.25
Ind Dev Bk	104.75	98.25	98.75	106
ITC	536.50	516.75	518.25	544
Mahanagar Tel	264.75	252.50	256.25	271.50
Reliance Ind	359.50	346.50	348	365
State Bk India	318	309.75	312	320.50
Steel Authority	21.25	20.50	20.75	22
Tata Eng Loco	363	342	344	366.25

Brussels
BEL-20 index: 2367.34 Previous: 2420.60

	High	Low	Close	Prev.
Almanij	1700	1650	1665	1710
Barco Ind	7650	7300	7600	7690
BBL	8950	8430	8500	9020
CBR	3200	3050	3130	3210
Colruyt	18525	18100	18125	18575
Delhaize Lion	1840	1780	1795	1840
Electrabel	7570	7310	7440	7580
Electrafina	3525	3475	3490	3530
Fortis AG	7410	7100	7230	7410
Gevaert	3395	3310	3310	3400
GBL	5580	5410	5520	5620
Gen Banque	14450	13900	14100	14350
Kredietbank	14575	13750	14225	14625
Petrofina	14175	13500	13900	14225
Powerfin	4910	4840	4850	4900
Royale Belge	10400	9770	10200	10400
Soc Gen Belg	3400	3240	3380	3455
Solvay	21100	20550	20950	21000
Tractebel	14775	14525	14625	14775
UCB	127500	121500	123000	127450

Copenhagen
Stock index: 638.44 Previous: 637.14

	High	Low	Close	Prev.
BG Bank	400	378	385	395
Carlsberg B	353	347	350	350
Codan Fors	946	935	938	930
Danisco	387	378	379	390
Den Danske Bk	711.07	688.28	696	710
D/S Svendborg B	426900	425000	426000	422366
D/S 1912 B	300000	297000	297000	301000
FLS Ind B	240	235	225	242
Kob Lufthavn	741	730	730	740
Nvo Nordisk B	706	697	700	707
Sophus Ber B	991	944	950	990
Tele Danmk B	382.25	378	382	387
Tryg Baltica	430.43	424	425	435
Unidanmark A	454	433	435	455

Frankfurt
DAX: 4086.01 Previous: 4253.67

	High	Low	Close	Prev.
AMB B	1765	1710	1650	1790
Adidas	232	229.70	230.50	235.50
Allianz Hdg	420.50	411	412.50	426.50
Altana	141.90	136	136.10	142.10
Bk Berlin	47.95	47.20	47.80	48.40
BASF	65.30	64.30	64.45	66.50
Bayer Hypo Bk	69.50	68.20	68.30	70.15
Bay.Vereinsbank	97.30	96.60	96.85	98.50
Bayer	71.45	69.50	69.90	72.90
Beiersdorf	85.50	80.50	82.50	67
Bewag	39.25	38.50	38.50	39.40
BMW	1345	1325	1325	1385
CKAG Colonia	165	155	155	166
Commerzbank	68.40	67.30	67.95	70.70
Daimler Benz	140.40	137.30	137.70	144.90
Degussa	98.50	96	96	98.25
Deutsche Bank	116.30	113.10	113.10	119.50
Deut Telekom	39.25	38.60	38.70	40
Dresdner Bank	78.50	76.70	76.70	80.90
Fresenius	352	335	335	355
Fresenius Med	138.70	135	135.50	146
Fried. Krupp	380.50	366	366	389.80
Gehe	112.50	108.50	108.50	111.50
Heidelbg Zmt	156	153	155	157
Henkel pfd	100.40	99.50	99.50	101.30
HEW	450	450	450	450
Hochtief	91	88	88	93
Hoechst	73	70.70	70.70	73
Karstadt	676	670	670	685
Lahmeyer	100.90	96	96	101.90
Linde	1285	1230	1235	1321
Lufthansa	36.30	35.60	35.60	37.25
MAN	535	521.50	522	538.50
Mannesmann	887	871	883	905
Metallgesellschaft	41.50	40.80	40.80	42.20
Metro	95	93.50	93.80	93.30
Munch Rueck R	585	578.50	578.50	610
Preussag	564	541.50	545	552
RWE	82.30	81.20	81.30	84.80
SAP pfd	421	411	414.70	439.50
Schering	194.20	189	189.60	198.95
SGL Carbon	231	229	230	232
Siemens	118.50	116.60	118	123.80
Springer (Axel)	1625	1620	1620	1620
Suedzucker	898	891	895	905
Thyssen	434	425.50	425.50	447.30
Veba	102.80	101.20	101.85	105.70
VEW	575	573	573	573
Viag	806	793	794	818
Volkswagen	1335	1315	1318.20	1385

Helsinki
HEX General index: 3441.48 Previous: 3557.70

	High	Low	Close	Prev.
Enso A	49	47.50	47.50	49
Huhtamaki I	223.50	220	221	224
Kemira	48.10	46.80	47	48
Kesko	73	71.50	71.50	73
Merita A	23	22	22.80	23.20
Metra B	169.50	161	163	167.10
Metso-Serla B	49	46	48.80	50
Neste	139.50	134.50	136	141
Nokia A	455	434	438	462
Orion-Yhtymae	187	184	184	187
Outokumpu A	97	94	95.30	97
UPM-Kymmene	136	133	133.50	137.80
Valmet	79.50	77	77.80	80.10

Hong Kong
Hang Seng: 15429.75 Previous: 15654.83

	High	Low	Close	Prev.
Amoy Props	8.65	8.45	8.60	8.65
Bk East Asia	30.70	30.10	30.30	30.80
Cathay Pacific	13.40	12.75	13.05	13.30
Cheung Kong	88.50	85.50	87.50	88.75
CK Infrastruct	25.45	24.50	24.80	25.30
China Light	39.70	38.30	39	39.70
Citic Pacific	46.10	44.30	45.10	46.20
Dao Heng Bk	45.40	43.60	45.40	44.40
First Pacific	9.20	8.95	9.10	9.10
Hang Lung Dev	14.75	14.50	14.55	14.85
Hang Seng Bk	104	101	102.50	102.50
Henderson Inv	9.20	8.65	9.05	9
Henderson Ld	68.25	65.50	68	66.25
HK China Gas	16.75	16.05	16.35	16.35
HK Electric	28.75	28	28.20	28.70
HK Telecomm	17.90	17.45	17.80	18
Hopewell Hdgs	4.88	4.63	4.78	4.83
HSBC Hdgs	262	257	258	263
Hutchison Wh	78.50	76	76.50	77.75
Hysan Dev	24.30	23.75	24	24.30
Johnson El Hdg	23	22.45	22.55	23
Kerry Props	20.60	20.40	20.45	20.45
New World Dev	53	50	52	52.50
Oriental Press	2.83	2.73	2.77	2.77
Pearl Oriental	1.43	1.34	1.38	1.37
SHK Props.	96	93.75	93.75	96.50
Shun Tak Hdgs	4.70	4.60	4.60	4.65
Sino Land Co.	7.75	7.55	7.70	7.70
Sth China Post	7.10	7	7	7
Swire Pac A	66.75	65	65.25	67.25
Wharf Hdgs	30	29.30	29.50	30.30
Wheelock	17.90	17.45	17.60	17.80

Jakarta
Composite index: 574.48 Previous: 603.06

	High	Low	Close	Prev.
Astra Intl	6450	6100	6100	6325
Bk Intl Indon	1250	1075	1100	1250
Bk Negara	1200	1100	1150	1200
Gudang Garm	9375	8875	8900	9375
Indocement	3725	3425	3450	3700
Indofood	4375	3950	3950	4400
Indosat	7250	7150	7175	7225
Sampoerna HM	7900	7600	7675	7900
Semen Gresik	3775	3525	3525	3600
Telekomunikasi	3525	3400	3400	3525

Johannesburg
All Market: 7347.94 Previous: 7463.07

	High	Low	Close	Prev.
Amalgamtd Bks	32.25	31	31	32.25
AngloAm Coal	266.25	264.25	266.25	266
AngloAm-Corp	249.50	239	240.75	249.50
AngloAm Gold	264.25	260.50	260.50	264.25
AngloAm Ind	206.50	203.50	206	207
AVMIN	11.45	11.40	11.40	11.40
Barlows	56	54.75	55	56.25
C.G. Smith	25	24.50	25	25
De Beers	152	147	147	152.25
Driefontein	35.40	34.75	35	35.50
Fst Natl Bk	38.10	37.25	37.50	38.15
Gencor	10.55	10.35	10.50	10.55
GFSA	96.50	95.75	95.75	96.50
Imperial Hdgs	64	62	62	64.25
Ingwe Coal	24.30	24	24	24.30
Iscor	2.94	2.90	2.93	2.94
Johnnies Indl	64.50	63	63	65
Liberty Hdgs	371	368	368	373
Liberty Life	142.50	140.50	141	143
LibLife Strat	17.70	17	17.20	17.40
Minorco	99.50	98.25	98.25	99.50
Nampak	20.25	19.75	20	19.80
Nedcor	94	93.25	93.25	93.75
Rembrandt Gp	46	45	45.45	46.20
Richemont	67.25	66	66.25	67.75
Rust Platinum	80.25	79.75	80	80
SA Breweries	141	137.50	139	141
Samancor	38	35	35	38.70
Sasol	60.75	60	60.75	60.75
SBIC	220	219	219	220
Tiger Oats	76.25	75	75	76.25

Kuala Lumpur
Composite: 905.00 Previous: 909.24

	High	Low	Close	Prev.
AMMB Hdgs	12.20	11.70	12	12
Genting	10.70	10.50	10.70	10.70
Mal Banking	22.30	21.30	21.80	22
Mal Intl Ship F	6.65	6	6.45	6.15
Petronas Gas	9.20	9.05	9.15	9.20
Proton	8	7.60	7.90	8.05
Public Bk	3.48	3.38	3.40	3.48
Renong	3.30	3.22	3.26	3.30
Resorts World	7.55	7.40	7.40	7.55
Rothmans PM	26.25	25	25.25	26.25
Sime Darby	8	7.85	7.95	7.90
Telekom Mal	9.05	8.55	8.85	8.60
Tenaga	9.85	9.50	9.55	9.65
Utd Engineers	16	15.20	15.30	16
YTL	6.80	6.65	6.70	6.80

London
FT-SE 100: 4901.10 Previous: 4978.00

	High	Low	Close	Prev.
Abbey Natl	8.34	7.26	8.27	8.29
Allied Domecq	4.68	4.60	4.61	4.77
Anglian Water	7.72	7.59	7.69	7.69
Argos	6.40	6.31	6.35	6.40
Asda Group	1.55	1.50	1.51	1.54
Assoc Br Foods	5.24	5.02	5.03	5.15
BAA	5.73	5.60	5.62	5.72
Barclays	14.19	13.87	14.09	14.26
Bass	8.27	8.10	8.15	8.32
BAT Ind	5.23	5.06	5.09	5.17
Bank Scotland	4.20	4.14	4.16	4.19
Blue Circle	4.20	4.02	4.04	4.19
BOC Group	11.28	10.98	11.08	11.25
Boots	8.02	7.83	7.93	8
BPB Ind	3.47	3.42	3.42	3.48
Brit Aerosp	14.51	14.28	14.42	14.51
Brit Airways	6.70	6.52	6.54	6.59
BG	2.65	2.56	2.63	2.59
Brit Land	5.97	5.86	5.92	5.95
Brit Petm	8.99	8.75	8.78	8.98
BSkyB	4.45	4.32	4.40	4.30
Brit Steel	1.77	1.74	1.75	1.75
Brit Telecom	4.43	4.13	4.36	4.10
BTR	2.26	2.12	2.15	2.16
Burmah Castrol	11.02	10.79	10.89	10.97
Burton Gp	1.27	1.24	1.26	1.26
Cable Wireless	5.77	5.53	5.66	5.79
Cadbury Schw	5.98	5.82	5.83	5.96
Carlton Comm	5.17	5.05	5.14	5.14
Comml Union	7.27	7.11	7.25	7.24
Compass Gp	6.30	6.23	6.24	6.30
Courtaulds	3.28	3.20	3.23	3.29
Dixons	6.66	6.54	6.66	6.63
Electrocomponents	4.84	4.67	4.68	4.82
EMI Group	5.53	5.41	5.52	5.55
Energy Group	6.27	6.18	6.21	6.27
Enterprise Oil	6.87	6.73	6.79	6.87
Fam Colonial	1.75	1.72	1.73	1.76
Genl Accident	9.43	9.24	9.35	9.40
GEC	3.81	3.65	3.72	3.81
GKN	11.98	11.80	11.83	11.93
Glaxo Wellcome	12.65	12.08	12.29	12.76
Granada Gp	8.16	8.05	8.07	8.14
Grand Met	5.88	5.75	5.79	5.87
GRE	2.87	2.70	2.75	2.86
Greenalls Gp	4.90	4.85	4.85	4.87
Guinness	5.80	5.65	5.75	5.76
GUS	6.41	6.33	6.38	6.37
Hays	6.16	6.07	6.09	6.15
HSBC Hldgs	23.01	20.05	20.33	21.15
ICI	10.40	9.88	10.10	10.40
Impl Tobacco	3.90	3.84	3.87	3.90
Kingfisher	7.47	7.15	7.20	7.44
Ladbroke	2.63	2.56	2.59	2.63
Land Sec	9.18	9.04	9.07	9.28
Lasmo	2.74	2.62	2.64	2.73
Legal Genl Grp	4.55	4.46	4.49	4.54
Lloyds TSB Gp	7.42	7.13	7.25	7.44
LucasVarity	2	1.97	1.98	1.97
Marks Spencer	5.89	5.60	5.87	5.88
MEPC	4.77	4.70	4.74	4.73
Mercury Asset	13.69	13.28	13.43	13.70
National Grid	2.73	2.64	2.65	2.72
Natl Power	5.50	5.33	5.35	5.47
NatWest	8	7.86	7.94	8.03
Next	7.72	7.57	7.60	7.68
Norwich Union	3.42	3.34	3.35	3.40
Orange	2.14	2.05	2.06	2.13
P&O	6.51	6.43	6.47	6.51
Pearson	7.67	7.52	7.62	7.66
Pilkington	1.47	1.44	1.45	1.47
PowerGen	7.78	7.59	7.67	7.75
Premier Farnell	5.42	5.17	5.17	5.45
Prudential	6.07	5.97	6.03	6.04
Railtrack Gp	7.85	7.53	7.70	7.80
Rank Group	3.52	3.43	3.46	3.45
Reckitt Colm	9.76	9.55	9.67	9.78
Redland	3.15	2.98	3.03	3.10
Reed Intl	5.74	5.45	5.49	5.74
Rentokil Initial	2.22	2.10	2.16	2.22
Reuters Hdgs	6.38	6.20	6.25	6.46
Rexam	2.99	2.93	2.97	2.97
RTZ reg	10.09	9.90	9.97	10.10
RMC Group	10.64	10.40	10.44	10.62
Rolls Royce	2.48	2.41	2.43	2.47
Royal Bk Scot	5.96	5.84	5.88	5.88
Royal & Sun All	5.52	5.34	5.36	5.48
Safeway	3.83	3.75	3.76	3.85
Sainsbury	4.44	4	4.41	4.46
Schroders	18.55	18.22	18.28	18.55
Scot Newcastle	7.58	7.35	7.38	7.55
Scot Power	4.33	4.24	4.28	4.32
Securicor	2.84	2.79	2.82	2.83
Severn Trent	8.58	8.45	8.48	8.47
Shell Transp R	4.36	4.18	4.22	4.38
Siebe	11.11	10.93	10.96	11.02
Smith Nephew	1.80	1.76	1.76	1.78
SmithKline	11.35	10.68	10.75	11.35
Smiths Ind	8.35	8.23	8.35	8.34
Sthern Elec	4.68	4.58	4.62	4.59
Stagecoach	7.12	7	7.07	7.05
Stand Charter	10.45	9.90	10.35	10.50
Tate & Lyle	4.26	4.20	4.25	4.21
Tesco	4.20	4.10	4.16	4.20
Thames Water	7.95	7.85	7.87	7.90
3i Group	4.87	4.73	4.75	4.88
TI Group	5.94	5.85	5.88	5.92
Tomkins	3.22	3.13	3.15	3.20
Unilever	18.50	17.91	17.96	18.50
Utd Assurance	4.34	4.30	4.30	4.35
Utd News	7.17	6.97	7.01	7.17
Utd Utilities	7.08	6.95	6.98	7.05
Vendome Lx unts	4.91	4.85	4.90	4.92
Vodafone	3.32	3.09	3.25	3.31
Whitbread	8.29	8.10	8.13	8.27
Williams Hdgs	3.58	3.51	3.53	3.59
Wolseley	4.64	4.56	4.58	4.62
WPP Group	2.90	2.80	2.81	2.92
Zeneca	19.85	19.26	19.39	19.84

Madrid
Bolsa index: 582.56 Previous: 589.19

	High	Low	Close	Prev.
Acerinox	26490	26110	26200	26560
ACESA	1800	1775	1795	1790
Aguas Barcelon	5580	5500	5540	5580
Argentaria	7950	7710	7920	7950
BBV	4145	4040	4110	4155
Banesto	1415	1385	1410	1420
Bankinter	7900	7720	7840	7880
Bco Centro Hisp	5840	5770	5800	5850
Bco Popular	34300	33970	34280	34570
Bco Santander	4390	4260	4315	4410
CEPSA	4630	4570	4630	4600
Continente	3300	3160	3230	3360
Corp Mapfre	8450	8170	8200	8300
Endesa	3195	3120	3160	3190
FECSA	1240	1200	1215	1230
Gas Natural	6770	6650	6700	6790
Iberdrola	1785	1730	1740	1785
Pryca	2905	2840	2850	2940
Repsol	6180	6050	6090	6200
Sevillana Elec	1370	1330	1360	1370
Tabacalera	8040	7920	7950	8040
Telefonica	4045	3995	4025	4065
Union Fenosa	1200	1180	1190	1200
Valenc Cement	2765	2735	2760	2765

Manila
PSE index: 2428.73 Previous: 2459.04

	High	Low	Close	Prev.
Ayala B	17.50	16.75	17	17.75
Ayala Land	18.25	18	18.25	18.50
Bk Philip Isl	142	140	140	141
C&P Homes	9.10	8.60	8.70	9
Manila Elec A	81	79.50	79.50	80.50
Metro Bank	500	487.50	490	490
Petron	5.60	5.40	5.50	5.60
PCIBank	198	191	192	197
Phil Long Dist	885	875	875	895
San Miguel B	56	55.50	55.50	55
SM Prime Hdg	7.50	7.40	7.50	7.40

Mexico
Bolsa index: 4991.15 Previous: 5070.47

	High	Low	Close	Prev.
Alfa A	64.90	62.80	63.10	65.50
Banacci B	24.00	23.40	24.00	24.10
Cemex CPO	42.40	41.90	42.00	42.65
Cifra C	14.62	14.46	14.50	14.68
Emp Modema	42.40	42.00	42.25	42.70
Gpo Carso A1	58.90	58.00	58.50	59.40
Gpo F Bcomer	3.62	3.50	3.60	3.66
Gpo Fin Inbursa	34.60	34.50	34.50	35.00
Kimb Clark Mex	36.25	35.50	36.15	36.30
Televisa CPO	129.50	128.50	128.50	132.20
TelMex L	20.25	19.96	20.05	20.50

Milan
MIB Telematico: 14198.00 Previous: 14367.00

	High	Low	Close	Prev.
Alleanza Assic	14590	14300	14460	14650
Bca Comm Ital	4410	4305	4365	4440
Bca Fideuram	5925	5845	5875	5960
Bca di Roma	1600	1540	1567	1580
Benetton	26550	25350	25900	26400
Credito Italiano	3650	3500	3600	3650
Edison	8150	7960	8010	8140
ENI	10185	9950	10040	10180
Fiat	5620	5460	5505	5580
Generali Assic	36700	36050	36500	36900
IMI	16035	15880	15880	16200
INA	2605	2555	2580	2615
Italgas	5360	5250	5265	5355
Mediaset	7740	7505	7555	7650
Mediobanca	11420	11080	11275	11400
Montedison	1104	1089	1091	1093
Olivetti	700	682	693	687
Parmalat	2645	2590	2645	2650
Pirelli	4740	4635	4700	4750
RAS	14870	14560	14680	14730
Rolo Banca	22600	21700	21700	22150
S Paolo Torino	12895	12390	12580	12710
Telecom Italia	10755	10420	10620	10720
TIM	5875	5700	5740	5840

Montreal
Industrials index: 3516.58 Previous: 3586.32

	High	Low	Close	Prev.
Bce Mob Com	50½	50¼	50.45	50¼
Cdn Tire A	27	26	26.05	27.05
Cdn Util A	38¾	38	38.05	38.60
CT Finl Svc	43.85	43.85	43.85	44
Gaz Metro	18.20	18.05	18.15	18.15
Gt-West Lifeco	33	32½	33	33.05
Imasco	40.20	39.10	39.20	41
Investors Grp	35	35	35	34.95
Loblaw Cos	20.55	20½	20½	20½
Natl Bk Canada	18	17½	17.65	17.95
Power Corp	39	38¼	38.70	39.15
Power Finl	37½	36½	36¾	37.55
Quebecor B	26.70	26.40	26¼	26.70
Rogers Comm B	9.90	9⅝	9.90	10.10
Royal Bk Cda	62.40	60.85	62	62.15

Oslo
OBX index: 680.37 Previous: 689.27

	High	Low	Close	Prev.
Aker A	132.50	128	128.50	132
Bergesen Dy A	205	199	202	206.50
Christiania Bk	25.80	24.80	25	25.50
Den norske Bk	29.80	28.90	29.20	29.60
Elkem	138	132	136	138
Hafslund A	N.T.	N.T.	N.T.	46
Kvaerner Asa	411	400	406	414
Norsk Hydro	405	392	400	404
Norske Skog A	287	280	284	288
Nycomed A	153	150	152	155
Orkla Asa A	546	532	540	545
Petlm GeoSvc	424	414	422	431
Saga Petlm A	156	151.50	154	151.50
Schibsted	126	122.50	122.50	126
Transocean Off	660	639	639	670
Storebrand Asa	50.50	50	50	50.50

Paris
CAC-40: 2904.23 Previous: 2957.23

	High	Low	Close	Prev.
Accor	970	948	954	970
AGF	223.50	217.20	221	225.50
Air Liquide	927	902	924	925
Alcatel Alsth	812	787	794	809
Axa-UAP	408.50	402.10	406	410
Bancaire	719	681	701	718
BIC	499	481.10	482.60	498.70
BNP	292.30	282.10	283.40	288.50
Canal Plus	1030	1009	1021	1024
Carrefour	3945	3843	3863	3956
Casino	284	279.50	281.50	284.60
CCF	323	309.10	315	324
Cetelem	675	643	644	680
Christian Dior	954	927	938	951
CLF-Dexia Fran	569	548	549	563
Credit Agricole	1266	1266	1266	1270.10
Danone	930	915	924	933
Elf-Aquitaine	720	701	707	723
Eridania BS	834	817	821	827
Eurodisney	8.75	8.55	8.70	8.70
Eurotunnel	6.90	6.75	6.85	6.90
Gen. Eaux	704	688	696	706
Havas	384	372.50	376	384.90
Imetal	862	836	847	865
Lafarge	420	406	410.50	417.90
Legrand	1148	1087	1087	1137
L'Oreal	2307	2210	2227	2321
LVMH	1450	1410	1424	1456
Michelin B	360	350.50	355	359.20
Paribas A	449	435.20	437.20	444.60
Pernod Ricard	301	294	294	299.50
Peugeot Cit	698	670	670	691
Pinault-Print	2755	2630	2730	2760
Promodes	2199	2133	2154	2196
Renault	168	160.60	163	169
Rexel	1719	1650	1717	1725
Rh-Poulenc A	249.90	241.50	247.50	248.60
Sanofi	609	565	604	600
Schneider	334.80	324	324	334.70
SEB	990	955	970	995
SGS Thomson	592	557	580	604
Ste Generale	796	773	784	794
Sodexho	2880	2796	2802	2869
St Gobain	888	852	867	876
Suez (Cie)	16.30	16.15	16.30	16.30
Suez Lyon Eaux	669	654	664	667
Synthelabo	767	719	732	765
Thomson CSF	156	149.10	152.70	150
Total B	622	599	609	621
Usinor	114.70	109.50	110.90	114.80
Valeo	380.90	365.20	370	375.60

São Paulo
Bovespa index: 10973.38 Previous: 11180.50

	High	Low	Close	Prev.
Bradesco Pfd	10.70	10.50	10.55	10.55
Brahma Pfd	732.00	730.00	730.00	730.00
Cemig Pfd	51.00	49.50	50.71	50.52
CESP Pfd	75.01	73.00	73.20	75.48
Copel	16.00	16.00	16.00	16.00
Eletrobras	481.00	471.00	475.00	484.00
Itaubanco Pfd	640.02	630.00	635.00	640.00
Light Servicios	488.00	477.00	477.00	486.01
Lightpar	414.99	400.00	406.00	411.99
Petrobras Pfd	284.00	277.00	277.00	286.01
Paulista Luz	190.00	188.00	188.00	190.00
Sid Nacional	35.30	35.00	35.10	35.30
Souza Cruz	10.00	9.90	9.91	10.20
Telebras Pfd	137.00	133.00	134.51	138.00
Telemig	170.00	167.00	167.00	172.98
Telerj	143.00	141.50	142.00	143.00
Telesp Pfd	323.00	319.00	320.01	323.00
Unibanco	38.98	38.40	38.40	39.20
Usiminas Pfd	11.65	11.06	11.40	11.16
CVRD Pfd	26.10	25.60	25.71	26.40

Seoul
Composite index: 736.42 Previous: 739.47

	High	Low	Close	Prev.
Dacom	92000	90000	90200	90200
Daewoo Heavy	7800	7530	7780	7590
Hyundai Eng.	20600	20200	20500	20400
Kia Motors	13300	12700	12900	12700
Korea El Pwr	25400	24900	25100	25500
Korea Exch Bk	5450	5000	5290	5330
LG Semicon	48000	46000	48000	48000
Pohang Iron St	61500	60100	61200	61000
Samsung Display	49000	47100	49000	47700
Samsung Elec	72800	71200	72500	72000
Shinhan Bank	9500	9110	9150	9400
SK Telecom	520000	504000	520000	504000

Singapore
Straits Times: 1945.44 Previous: 1946.57

	High	Low	Close	Prev.
Asia Pac Brew	N.T.	N.T.	N.T.	5.50
Cerebos Pac	4.58	4.50	4.54	4.60
City Devts	11.90	11.30	11.60	11.50
Cycle Carriage	11.70	11.20	11.70	11.70
Dairy Farm Int*	0.90	0.89	0.90	0.90
DBS foreign	17.50	17.10	17.20	17.50
DBS Land	4.22	4.08	4.12	4.12
Fraser & Neave	9.30	8.90	9.30	8.90
HK Land*	3.28	3.20	3.24	3.28
Jard Mathesn*	7.80	7.20	7.65	7.25
Jard Strategic*	3.96	3.92	3.92	4.02
Keppel A	6.10	6.05	6.05	6.10
Keppel Bank	3.60	3.52	3.52	3.60
Keppel Fels	4.57	4.43	4.50	4.46
Keppel Land	4.24	4.08	4.20	4.08
OCBC foreign	12.90	12.70	12.90	12.90
OS Union Bk F	8.25	8.10	8.15	8.30
Parkway Hdgs	6.40	6.30	6.30	6.40
Sembawang	6.90	6.80	6.90	6.95
Sing Air foreign	12.50	12.20	12.30	12.30
Sing Land	7.30	7.25	7.30	7.25
Sing Press F	24.80	24.10	24.50	24.10
Sing Tech Ind	3.46	3.02	3.04	3.60
Sing Telecomm	2.43	2.40	2.42	2.42
Tat Lee Bank	2.76	2.75	2.75	2.76
Utd Industrial	1.08	1.03	1.08	1.04
Utd OSea Bk F	14.10	13.80	14	14.10
Wing Tai Hdgs	3.64	3.60	3.60	3.62

*: in U.S. dollars.

Stockholm
SX 16 index: 3406.06 Previous: 3494.86

	High	Low	Close	Prev.
AGA B	109.50	104.50	107	109.50
ABB A	123.50	118	120.50	124.50
AssiDoman	248	243	246	247
Astra A	131.50	127	129.50	133
Atlas Copco A	254	242	245	251.50
Autoliv	306	298	305	305
Electrolux B	608	577	589	604
Ericsson B	357	338.50	343.50	354.50
Hennes B	324	302	312	318
Incentive A	740	721	724	744
Investor B	408	399	404	409.50
MoDo B	279.50	268	273	281.50
Nordbanken	256	247	248	252
Pharm/Upjohn	282	271	277	280
Sandvik B	250	241.50	245	249
Scania B	225	221	223	226.50
SCA B	183	176	182	182
S-E Banken A	85.50	83	84	86
Skandia Fors	325	313	320	329
Skanska B	331	322	325	332.50
SKF B	223	214	215.50	224
Sparbanken A	182.50	176	177	184
Stora A	139	130.50	134.50	139
Sv Handles A	249	242	244	249
Volvo B	217.50	210.50	214.50	218

Sydney
All Ordinaries: 2620.20 Previous: 2649.70

	High	Low	Close	Prev.
Amcor	8.36	8.25	8.31	8.45
ANZ Bking	10.06	9.87	9.92	10.13
BHP	17.23	17.06	17.08	17.31
Boral	4	3.90	3.95	3.97
Brambles Ind.	28.20	27.60	27.81	28.59
CBA	15.50	15.36	15.39	15.56
CC Amatil	15.30	15.15	15.20	15.50
Coles Myer	6.51	6.40	6.46	6.50
Comalco	6.65	6.58	6.64	6.62
CSR	4.95	4.81	4.92	4.99
Fosters Brew	2.64	2.58	2.60	2.63
Goodman Fld	1.96	1.93	1.95	1.98
ICI Australia	13.06	12.83	13	12.86
Lend Lease	30	29.70	29.87	30.09
MIM Hdgs	1.69	1.66	1.66	1.71
Nat Aust Bank	19.15	19.02	19.12	19.27
Nat Mutual Hdg	2.11	2.09	2.11	2.11
News Corp	5.82	5.76	5.81	5.85
Pacific Dunlop	3.60	3.54	3.60	3.61
Pioneer Intl	4.62	4.54	4.55	4.68
Pub Broadcast	8.02	7.95	8	8.10
Rio Tinto	20.77	20.38	20.38	20.74
St George Bank	8.32	8.25	8.27	8.31
WMC	7.34	7.20	7.25	7.36
Westpac Bking	8.13	8.01	8.02	8.17
Woodside Pet	11.20	11.12	11.18	11.30
Woolworths	4.15	4.11	4.13	4.17

Taipei
Stock Market index: 10020.66 Previous: 10025.13

	High	Low	Close	Prev.
Cathay Life Ins	147	143	143	145.50
Chang Hwa Bk	116.50	113	113.50	115.50
Chiao Tung Bk	86	82	84.50	82
China Developmt	135	132	133	135
China Steel	30.70	30.20	30.20	30.20
First Bank	116	113.50	114	115.50
Formosa Plastic	65	63.50	63.50	64.50
Hua Nan Bk	124	120	120	122.50
Intl Comm Bk	56	55	55.50	56.50
Nan Ya Plastics	77.50	75.50	75.50	77.50
Shin Kong Life	100.50	98	99	99
Taiwan Semi	163	160	163	164
Tatung	45.70	45	45	45.40
Utd Micro Elec	138	135	137	137.50
Utd World Chin	64.50	63	63	63.50

Tokyo
Nikkei 225: 18450.17 Previous: 19157.12

	High	Low	Close	Prev.
Ajinomoto	1190	1160	1170	1170
All Nippon Air	708	700	700	715
Amway	3400	3380	3400	3380
Asahi Bank	910	886	910	905
Asahi Chem	659	645	648	660
Asahi Glass	959	930	941	952
Bk Tokyo Mitsu	2320	2230	2230	2320
Bk Yokohama	523	512	512	520
Bridgestone	2770	2700	2730	2800
Canon	3540	3440	3450	3560
Chubu Elec	2030	2010	2010	2030
Chugoku Elec	1950	1940	1940	1940
Dai Nipp Print	2770	2710	2730	2770
Daiei	861	841	841	863
Dai-Ichi Kang	1470	1440	1440	1480
Daiwa Bank	661	639	650	660
Daiwa House	1440	1400	1400	1430
Daiwa Sec	766	750	754	767
DDI	7190a	6990a	7000a	7250a
Denso	2770	2700	2720	2790
East Japan Ry	5360a	5200a	5210a	5380a
Eisai	2480	2420	2440	2500
Fanuc	4840	4720	4730	4750
Fuji Bank	1600	1530	1530	1590
Fuji Photo	4760	4580	4600	4790
Fujitsu	1610	1580	1590	1630
Hachijuni Bk	1160	1120	1120	1170
Hitachi	1210	1180	1200	1230
Honda Motor	3600	3500	3540	3620
IBJ	1750	1690	1690	1750
IHI	368	360	360	374
Itochu	514	505	506	504
Ito-Yokado	6890	6660	6890	6920
JAL	475	468	475	473
Japan Tobacco	9470a	9300a	9350a	9480a
Jusco	3330	3260	3290	3430
Kajima	675	615	640	666
Kansai Elec	2230	2190	2190	2230
Kao	1810	1780	1790	1810
Kawasaki Hvy	482	470	470	482
Kawa Steel	302	298	300	301
Kinki Nipp Ry	688	680	680	688
Kirin Brewery	995	984	985	980
Kobe Steel	178	170	170	179
Komatsu	840	800	819	834
Kubota	495	489	490	496
Kyocera	8620	8480	8570	8730
Kyushu Elec	1970	1950	1950	1970
LTCB	607	587	599	609
Marubeni	435	427	430	427
Marui	1960	1910	1960	1920
Matsu Comm	4540	4430	4460	4580
Matsu Elec Ind	2290	2230	2230	2300
Matsu Elec Wk	1330	1310	1310	1330
Mitsubishi	1260	1240	1240	1250
Mitsubishi Ch	309	303	305	307
Mitsubishi El	575	561	567	582
Mitsubishi Est	1670	1620	1630	1690
Mitsubishi Hvy	810	798	803	810
Mitsubishi Mat	709	699	709	700
Mitsubishi Tr	1740	1650	1690	1720
Mitsui	1050	1020	1030	1050
Mitsui Fudosn	1450	1400	1420	1450
Mitsui Trust	715	692	693	710
Murata Mfg	5370	5320	5370	5600
NEC	1550	1530	1540	1570
Nikko Sec	2340	2250	2270	2370
Nikon	612	600	600	605
Nintendo	10600	10400	10500	10600
Nipp Express	795	777	787	774
Nippon Oil	543	530	531	543
Nippon Steel	311	300	311	306
Nissan Motor	756	736	736	747
NKK	197	191	191	194
Nomura Sec	1650	1610	1630	1650
NTT	1150b	1120b	1120b	1170b
NTT Data	5440b	5250b	5260b	5450b
Oji Paper	615	602	605	603
Osaka Gas	273	268	271	270
Ricoh	1860	1760	1770	1870
Rohm	13900	13600	13600	14000
Sakura Bk	794	748	750	795
Sankyo	4080	3900	3950	4100
Sanwa Bank	1590	1510	1530	1590
Sanyo Elec	469	454	454	466
Secom	8560	8450	8500	8600
Seibu Rwy	5440	5260	5260	5540
Sekisui Chem	1060	1020	1030	1060
Sekisui House	1170	1120	1150	1170
Seven-Eleven	8910	8760	8790	8900
Sharp	1320	1300	1310	1330
Shikoku El Pwr	1930	1910	1910	1930
Shimizu	655	615	626	652
Shin-etsu Ch	3160	3070	3100	3170
Shiseido	2180	2120	2120	2190
Shizuoka Bk	1230	1190	1200	1230
Softbank	5720	5650	5680	5720
Sony	11300	10900	11000	11400
Sumitomo	1030	983	983	1000
Sumitomo Bk	1910	1860	1860	1910
Sumit Chem	475	470	472	470
Sumitomo Elec	1920	1880	1900	1920
Sumit Metal	287	280	282	283
Sumit Trust	1210	1160	1170	1190
Taisho Pharm	3130	2990	3000	3120
Takeda Chem	3500	3350	3370	3500
TDK	9700	9500	9500	9750
Tohoku El Pwr	1950	1920	1920	1950
Tokai Bank	1040	1010	1020	1040
Tokio Marine	1440	1400	1410	1450
Tokyo El Pwr	2270	2250	2250	2270
Tokyo Electron	7250	7070	7100	7440
Tokyo Gas	283	280	280	283
Tokyu Corp.	638	618	626	640
Tonen	1140	1110	1110	1150
Toppan Print	1850	1800	1830	1850
Toray Ind	830	796	830	809
Toshiba	731	720	725	730
Tostem	2540	2490	2520	2480
Toyo Trust	1010	990	998	1010
Toyota Motor	3140	3050	3050	3150
Yamanouchi	2960	2880	2890	2950

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6649.99 Previous: 6732.97

	High	Low	Close	Prev.
Abitibi Cons.	25.15	24.65	25.05	25.40
Alberta Energy	31.15	30.90	31	31.15
Alcan Alum	50	49.55	49.70	50.45
Anderson Expl	17.55	17.15	17.45	17.45
Bk Montreal	54.65	53.95	54.10	54.90
Bk Nova Scotia	62.55	61.70	61.95	62.90
Barrick Gold	32.70	32.10	32.40	32.20
BCE	39.90	38.80	39.15	39.95
BC Telecomm	34.15	33.80	33.90	34
Biochem Pharm	37¼	37.10	37.10	38
Bombardier B	27¾	27.15	27.55	27.95
Cameco	50.40	50.20	50.20	50.30
CIBC	37.40	36.45	36.70	37.60
Cdn Natl Rail	70	68½	69.90	70.30
Cdn Nat Res	37.30	36.80	36.85	37⅛
Cdn Occid Pet	35.90	35½	35.60	36
Cdn Pacific	41.90	41.10	41.30	41.90
Cominco	37½	36.70	37⅛	37¼
Dofasco	29.35	28½	29¼	29¼
Domtar	11.95	11.65	11.70	11.90
Donohue A	32.35	32	32	32¼
Du Pont Cda A	33	32¼	33	33
EdperBrascan	23¾	23¼	23.70	23.90
EuroNev Mng	22.45	21¾	22.20	22
Fairfax Finl	395	388	388	395
Falconbridge	26.90	26.05	26.30	27¼
Fletcher Chall A	23¾	23¼	23¼	23.85
Franco Nevada	33	31.80	33	32
Gulf Cda Res	11.20	10.90	11.15	11.10
Imperial Oil	75.40	73.65	75.40	74½
Inco	39.45	38.85	39.20	39.90
IPL Energy	49.70	48¼	49.65	50.40
Laidlaw B	20⅛	20.05	20.15	20.70
Loewen Group	43¾	43.20	43¼	43½
Macmill Bldl	17.90	17.55	17⅝	18
Magna Intl A	91½	90¼	91	92
Methanex	12.05	11.85	12	12
Moore	28.20	27.70	27.85	28½
Newbridge Net	65.85	63¾	64.15	66.35
Noranda Inc	27.85	27.65	27¾	28.15
Norcen Energy	34.90	34.20	34½	34.90
Nthern Telecom	140	137	138	141¼
Nova	11¾	11.40	11.65	11¾
Onex	31.65	31½	31.65	31.80
Pancdn Petlm	26½	26	26.10	26
Petro Cda	25.45	24.90	24.90	25.45
Placer Dome	24.80	24.15	24.45	24.60
Poco Petlm	13.55	13.35	13.45	13.60
Potash Sask	102.60	100¾	102	103.30
Renaissance	35.20	34.55	34¾	35.15
Rio Algom	33.70	33.20	33.35	33.90
Rogers Cantel B	27½	27	27½	27¼
Seagram Co	49.80	49.15	49.45	49.85
Shell Cda A	22.40	22.20	22.35	22.30
Suncor	46.85	45.70	46.40	46.55
Talisman Eny	44.65	44	44.30	44.70
Teck B	27½	26.60	26.90	27½
Teleglobe	48	47½	47.60	48.40
Telus	27¼	27	27.20	27.35
Thomson	32.65	31	31¾	32.65
TorDom Bank	40.85	40.20	40.80	41.35
Transalta	17.70	17.30	17.45	17.60
TransCda Pipe	26.30	25.85	26¼	26.30
Trimark Finl	64.90	61½	64½	65½
Trizec Hahn	31¾	31½	31.60	32
TVX Gold	7.55	7⅛	7.40	7.30
Westcoast Eny	26¼	26.05	26.15	26.30
Weston	93¾	92¼	92¼	93

Vienna
ATX index: 1330.02 Previous: 1388.21

	High	Low	Close	Prev.
Boehler-Uddeh	1015.90	985	986.10	1023.10
Creditanst Pfd	601.90	575.10	596.90	590
EA-Generali	3185	2910	2980	3150
EVN	1574	1480	1506	1579
Flughafen Wien	513	496	499	514
OMV	1778	1677	1692	1790.90
Oest Elektriz	867	857.30	857.40	868
VA Stahl	570	533	535	575
VA Tech	2389	2300	2300	2393
Wienerberg Bau	2520	2452.50	2469	2548.85

Wellington
NZSE-40 index: 2497.77 Previous: 2516.85

	High	Low	Close	Prev.
Air N Zeald B	4.45	4.40	4.42	4.45
Brierly Invt	1.39	1.38	1.38	1.39
Carter Holt ord	3.45	3.40	3.40	3.47
Fletch Ch Bldg	4.30	4.29	4.29	4.33
Fletch Ch Eny	5.80	5.75	5.78	5.82
Fletch Ch Forst	1.92	1.87	1.87	1.93
Fletch Ch Paper	3.40	3.35	3.38	3.44
Lion Nathan	4.04	4	4	4.07
Telecom NZ	7.65	7.60	7.63	7.65
Wilson Horton	11.90	11.90	11.90	11.90

Zurich
SPI index: 3535.36 Previous: 3640.75

	High	Low	Close	Prev.
ABB B	2406	2320	2345	2427
Adecco B	559	540	543	564
Alusuisse R	1388	1354	1368	1395
Ares-Serono B	2540	2410	2450	2540
Alel R	870	870	870	880
Baer Hdg B	2285	2200	2225	2300
Baloise Hdg R	4110	4000	4105	4135
BK Vision	1130	1085	1100	1140
Ciba Spec Chem	136.75	131	133	137.50
Clariant R	1075	1026	1029	1084
Crd Suisse Gp R	187.50	179.25	182	189.50
Elektrowatt B	539	536	536	539
Ems-Chemie	6805	6760	6800	6805
ESEC Hdg	4680	4560	4560	4630
Holderbank B	1324	1275	1276	1336
Liechtenst LB B	584	582	582	586
Nestle R	1880	1820	1830	1880
Novartis R	2246	2173	2180	2276
Oerlikn Bueh R	168	154.50	164	169.75
Pargesa Hld B	1860	1820	1850	1880
PharmVisn B	918	902	916	930
Richemont A	2151	2100	2100	2164
Pirelli PC	335	329	333	330
Roche Hdg PC	13775	13425	13450	13885
SBC R	398.50	386.50	390	401.50
Schindler PC	1935	1850	1909	1960
SGS B	3005	2920	2930	2993
SMH B	910	890	893	915
Sulzer R	1160	1105	1120	1160
Swiss Reins R	2102	2023	2035	2120
SAir Group R	1955	1894	1907	1955
UBS B	1553	1514	1529	1564
Winterthur R	1367	1305	1333	1377
Zurich Assur R	609	585	588	617

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	171.98	-3.03	-1.73	+15.31
Regional Indexes				
Asia/Pacific	125.75	-3.38	-2.62	+1.88
Europe	182.54	-2.22	-1.20	+13.24
N. America	202.36	-4.04	-1.96	+24.98
S. America	160.19	-1.92	-1.18	+39.99
Industrial Indexes				
Capital goods	223.20	-6.07	-2.65	+30.59
Consumer goods	186.71	-2.78	-1.47	+15.66
Energy	194.45	-3.90	-1.97	+13.91
Finance	130.94	-2.85	-2.13	+12.43
Miscellaneous	184.50	-2.59	-1.38	+14.04
Raw Materials	184.80	-2.42	-1.29	+5.37
Service	161.71	-1.40	-0.86	+17.76
Utilities	160.03	-1.81	-1.12	+11.55

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Compiled by Bloomberg News

NYSE

Friday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

Continued on Page 14

ASIA/PACIFIC

Pessimism Infects Tokyo Stocks

Nikkei Drops 2.65% and Bond Yields Fall on Economic Gloom

Compiled by Our Staff From Dispatches

TOKYO — Pessimism over Japan's fragile economy caused stocks to tumble Friday and pushed yields on Japanese government bonds to record lows.

The economic gloom, coupled with a downturn on Wall Street on Thursday, spurred investors to take profits in blue-chip shares, analysts said, driving the benchmark 225-share Nikkei average to its lowest level in nearly four months.

The Nikkei dropped 506.95 points, or 2.65 percent, to finish at 18,650.17.

The slump in stocks helped reinforce the view that Japan's central bank will not be able to raise key interest rates soon, encouraging investors to load up on yen bonds.

As bond prices rose, the yield of the benchmark 10-year government issue slipped to 2.04 percent from 2.06 percent on Thursday. Many investors preferred to buy more secure Japanese government bonds rather than park their money in shares of financially vulnerable companies, brokers said.

In the stock market, some investors are cashing in their positions to ensure a profit on their books before the Sept. 30 end of the financial first half.

"Since it is difficult to conjure up a bright outlook for the market," said Tadahiro Kamogawa of Yamaichi Securities Co., "investors are being driven to lock in profits as early as possible."

A recent spate of weak consumer-spending data has led economists to reassess the economic recovery, with some lowering their forecasts for growth for this year.

Consumer enthusiasm had been expected to wane after the national sales tax was raised in April to 5 percent from 3 percent, but predictions that the slowdown in spending would be over in June have proved overly optimistic.

Domestic car sales skidded in July, down 10 percent against a year earlier, and the Trade Ministry has said that August sales will not show much improvement.

Department store sales, meanwhile, fell for a fourth consecutive month in July, slipping nearly 6 percent compared with the year-earlier period.

"The negative impact of the rise of the consumption tax and other tax increases will be greater and more long-lasting than we thought," said Peter Morgan, senior economist at HSBC James Capel.

Mr. Morgan cut his growth forecast for the year ending March to 1.9 percent from 2.2 percent.

Traders said bond prices were likely to rise again next week, pushing yields to new lows. They said a production report would confirm that the economy was too weak to allow the Bank of Japan to raise interest rates.

"There is no risk that interest rates will reverse their course," said Akio Yoshino, senior economist at Credit Suisse Asset Management. "The benchmark yield could hit 2 percent."

Bonds have soared and yields have sunk — the benchmark yielded as much as 2.75 percent in late May — on weak reports on personal spending.

The Ministry of International Trade and Industry is scheduled to unveil production figures for July on Friday.

Traders expect July output, a key measure of economic strength, to show that the economy remains sluggish after the sales-tax increase.

In addition to the July headline figures, investors will focus on ministry predictions for August and September to get a feel for the strength of the economy in the July-to-September quarter, said Soichi Okuda, senior economist at Nippon Credit Bank Ltd.

"If August and September show a drop, which is very possible, that could give bonds a big boost," Mr. Yoshino said.

Production could fall in those months because weak domestic demand is causing inventories to build up, he said.

Weak production figures could convince investors that the tankan, a key central-bank report scheduled for release next month, will show the economy is too weak to withstand higher interest rates, analysts said.

"Only exports are doing well right now," said Masahiro Inoue, portfolio manager at Sumitomo Marine & Fire Insurance Co., "while personal expenditure is lousy. It's going to take a little more time for that to sink in, so it still looks like the benchmark yield will go below 2 percent."

(Reuters, AP, Bloomberg)

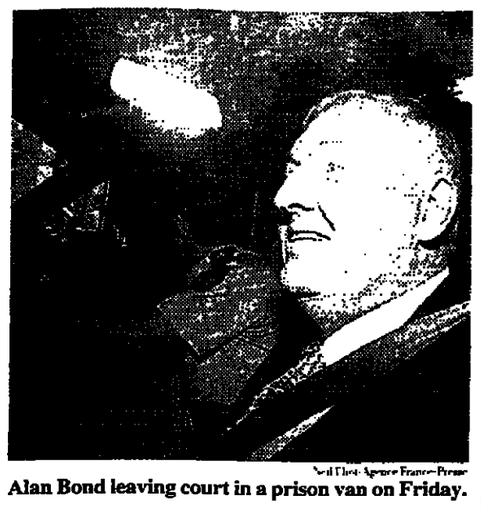
Yamaichi to Bail Out Daichu Securities Unit

Compiled by Our Staff From Dispatches

TOKYO — Six companies owned by Yamaichi Securities Co. will buy 1 billion yen ($8.5 million) worth of new shares issued by the ailing Yamaichi affiliate Daichu Securities Co., Japanese press reports said Friday.

The brokerage asked Yamaichi for help because its ratio of net assets to liabilities was near even; the capital injection would raise the ratio to 2-to-1.

Daichu suffered losses of about 1 billion yen because of difficulties related to margin trading, the reports said. Daichu and another Yamaichi affiliate, Ogawa Securities Co., which closed last week, were saddled with close to 2 billion yen in debt from unpaid stock-purchase contracts as of the end of May. *(Bloomberg, Bridge News)*



Saul Loeb-Agence France-Presse

Alan Bond leaving court in a prison van on Friday.

Bond's 2d Sentence Extended to 7 Years

Bloomberg News

PERTH, Australia — Alan Bond, a bankrupt entrepreneur, was given an extended seven-year sentence Friday for his role in the biggest corporate fraud in Australia's history.

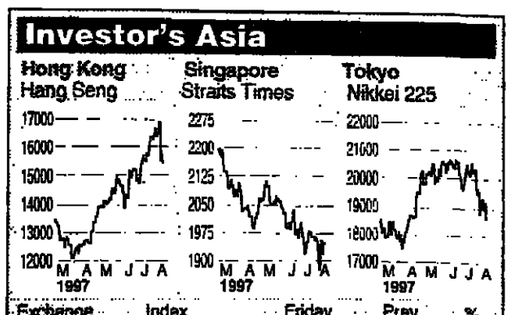
In February, Mr. Bond was sentenced to four years in prison after pleading guilty to improperly using loans of 1.2 billion Australian dollars ($895.2 million) from Bell Resources Ltd.

The government prosecutor had appealed the short length of the sentence, and on Friday, an appeals court ruled that the original sentence was "manifestly inadequate."

"It was a sentence so disproportionate to the seriousness of the crime as to shock the public consciousness," they said, explaining their judgment, saying the original trial judge had paid too much attention to Mr. Bond's personal circumstances.

Mr. Bond, 58, is serving a three-year sentence for misleading his own company about the value of a painting by Edouard Manet. He will serve the seven-year sentence for fraud consecutively to that conviction.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	15,429.75	15,654.03	-1.43
Singapore	Straits Times	1,945.44	1,946.57	-0.06
Sydney	All Ordinaries	2,620.30	2,649.70	-1.11
Tokyo	Nikkei 225	18,650.17	19,157.12	-2.65
Kuala Lumpur	Composite	905.00	909.24	-0.47
Bangkok	SET	559.59	583.04	-4.02
Seoul	Composite Index	736.62	739.47	-0.39
Taipei	Stock Market Index	10,020.55	10,026.13	-0.05
Manila	PSE	2,428.73	2,459.04	-1.23
Jakarta	Composite Index	574.40	603.06	-4.75
Wellington	NZSE-40	2,497.77	2,516.85	-0.76
Bombay	Sensitive Index	4,047.57	4,156.16	-2.61

Source: Telekurs International Herald Tribune

Very briefly:

- **Hong Kong's** key inflation indicator rose 1.2 percent in July, resulting in a 6.5 percent increase since July 1996.
- **Samsung Group** is pursuing a takeover of either **Kia Motors Corp.** or **Ssangyong Motor Co.**, The Korea Economic Daily reported. But a company spokesman said the plan had been discarded because of the financial liabilities and Samsung's preference to expand in electronics.
- **Korean Electronics Industries Cooperatives** said that 10 South Korean electronics makers would begin making amplifiers, condensers and speakers at two plants in Pyongyang, North Korea.
- **Vietnam's** prime minister, Vo Van Kiet, has urged government agencies to ease the privatization process of some of the 6,300 companies remaining in government hands and to persuade citizens to buy shares.
- **Teikoku Oil Co.'s** shares rose 9.6 percent this week, closing Friday at 455 yen ($3.85) against their 18-year low Monday of 415 yen, after the oil and gas company said it discovered a natural gas field off the coast of Japan.
- **Indonesian** imports of red meat will rise to 196,000 metric tons in 1999 from 30,000 tons this year and reach 346,000 tons by 2003, according to Frieda Nalapraya, chairman of the country's **Meat Importers Association.**
- **Chinese** sales of durable goods totaled 3.2 trillion yuan ($384.6 billion) in the first half, up 12.5 percent from the like period in 1996, the Xinhua news agency reported.
- **Sembawang Corp.'s** first-half profit before special items rose 30 percent, to 22.2 million Singapore dollars ($14.7 million), against the first half of 1996, but net profit, at 23.3 million dollars, fell by 67 percent. The shipbuilding company, which also has interests in media, construction and engineering, forecast that full-year profit would exceed 1996 earnings.
- **Liang Court Holdings Ltd.** said first-half profit rose 87 percent, to 7.6 million dollars. Sales for the Singapore property developer increased 130 percent, to 99.7 million dollars, led by projects in Singapore, Australia, Malaysia and Britain.

Bloomberg, AFP, AP, Bridge News

Jakarta Stocks Plummet On Fears of Bankruptcies

Compiled by Our Staff From Dispatches

JAKARTA — Indonesian stocks fell to a 10-month low Friday, amid concern that a weak rupiah and high interest rates could hurt profit growth and trigger a rash of company failures.

The benchmark Composite Index in Jakarta dropped 28.66 points, or 4.75 percent, to 574.40.

Bank shares led the decline amid concern that soaring interest rates, aimed at easing a currency crisis, are pushing some of them to the brink of collapse.

Panicked customers rushed to withdraw money from branches of at least one bank.

"It's no longer a question of earnings — the banks look extremely cheap on that basis — it's a question of whether they can survive," said Lin Che Wei, research director at Soc-Gen-Crosby Securities in Jakarta.

Interest rates have soared as Bank Indonesia, the central bank, sought to shrink the supply of rupiah in the banking system, making it more difficult to speculate against the currency.

Overnight interbank lending rates have hovered near 100 percent this week, and some smaller banks have had to pay as much as 200 percent for short-term funds.

"The banks have pushed the entire market down," said Adnan Tan of Deutsche Morgan Grenfell. "The liquidity squeeze is a real thing, and the price of doing business, especially for banks, has gone way up."

Several Asian currencies have come under attack since Thailand floated the baht July 2 after it came under pressure amid a crisis among property lenders and a rising current-account deficit.

The rupiah, which gained about 9 percent this week on the back of the punitive interest-rate increases, lost ground Friday. The dollar finished here at 2,675 rupiah, up from 2,661 on Thursday.

Among bank shares that fell Friday, PT Bank Danamon was the worst hit, closing down 125 rupiah, or 14 percent, at 775 rupiah, a 27-month low. Danamon shares took a drubbing on speculation that it was having problems paying depositors. The bank denied any liquidity problems but admitted that there were rushes for cash from customers at some of its Jakarta branches.

When such speculation starts, Frank Shea, senior advisor to Danamon's board of directors, said, "it takes on a life of its own."

Customers in the ethnic Chinese neighborhood of Kota in the capital made large withdrawals from Danamon branches in the past few days, lining up outside for cash and in some cases being forced to wait as Danamon brought in more money. Mr. Shea said the company was having no trouble funding its operations.

Part of the problem, Mr. Shea said, was that high interbank rates were encouraging nearby competitors to try to eat into Danamon's business. Rival branches were offering "one-hour specials" to depositors, giving them better-than-normal exchange and deposit rates.

"It's cheaper to get money from the guys down the street" than pay close to 100 percent in the overnight market, Mr. Shea said.

Also weighing on the company's shares was speculation that large Danamon depositors were withdrawing funds from the bank to take advantage of three-month government treasury bill yields that have surged to 28 percent in the past two weeks from 11 percent.

Standard & Poor's Corp. said Thursday that it was cutting its outlook on three Indonesian banks, including Danamon and the government controlled PT Bank Negara Indonesia, to "negative" from "stable."

S&P said Danamon's rapid expansion — its assets have more than quadrupled to 22 trillion rupiah in the past four years — had created concerns that its borrowers might become insolvent in a high interest rate environment. *(Bloomberg, AFP)*

Daiwa Investigated for Payoffs

Compiled by Our Staff From Dispatches

TOKYO — Daiwa Securities Co. said Friday that authorities were investigating whether it paid off the racketeer who extorted millions of dollars from other large financial companies such as Nomura Securities Co.

The brokerage provided records of trades made after 1993 to the Ministry of Finance, a Daiwa spokesman said. "We don't know of any improper dealings by our company," he added.

The Tokyo Shimbun reported that Daiwa was being investigated for allegedly issuing $8.5 million in payoffs to Ryuichi Koike starting in 1993. The scandal has already ensnared Nomura, Dai-Ichi Kangyo Bank Ltd., and Yamaichi Securities Co.

Sokaiya, racketeers who extort money and other favors by threatening to expose dubious deals by companies or by threatening to disrupt shareholders' meetings, have long been a feature of Japan's corporate landscape. Payoffs to the racketeers have been banned since 1983.

Mr. Koike has been arrested and has told prosecutors that he held accounts in all of Japan's "Big Four" brokerages.

The Kyodo news agency said that in 1993, Daiwa sold Mr. Koike golf-club membership rights through an affiliate company for 200 million yen ($1.7 million) and later bought the rights back for 400 million yen. Daiwa also allegedly gave Mr. Koike 800 million yen in cash in 1994 to compensate for trading losses, Kyodo said, quoting industry sources. *(Bloomberg, Reuters)*

Philippine Airlines Posts $17 Million Loss As Expenditures Rise

Bloomberg News

MANILA — Philippine Airlines Inc. posted a net loss Friday of 502.8 million pesos ($16.7 million) in its first quarter because of leasing costs and advertising expenses.

Operating expenses for the period ended June 30 rose 23 percent, to 9.02 billion pesos, while sales grew just 14 percent, to 8.97 billion pesos.

The Philippine flag carrier, known as PAL, posted net profit of 148 million pesos in the first quarter last year.

PAL announced Thursday that it was suspending flights to the United States because U.S. regulations requiring it to use aircraft, pilots and crew leased from an American carrier were causing "staggering losses."

The company is trying to revive its fleet with a $4 billion modernization and fleet renewal program that involves acquiring 36 new aircraft through 1999. It also has been trying to overhaul its image with a battery of television and print advertisements plugging it as "Asia's Sunniest Airline."

Financing charges, the bulk of its nonoperating expenses, rose 17 percent, to 408 million pesos, from a year earlier. Total assets rose 10 percent, to 55.2 billion pesos, following the acquisition of two aircraft.

Good News to our readers in Marseille and the Southeast of France: The IHT is available at all these fine news agents.

(13) BOUCHES DU RHONE

AIX EN PROVENCE
Le Havane 57, Cours Mirabeau
Kiosque Presse 37 Blvd du Roi René
Kiosque Presse Place Bellegarde
Kiosque Presse Place du Général de Gaulle
Kiosque Presse Place Jeanne d'Arc
Kiosque Presse Place des Prêcheurs
Kiosque Presse Place de l'Hôtel de Ville
Maison de la Presse 23, Cours Mirabeau

AIX LES MILLES
Tabac Presse "Le Mercure", Bat. A Rue Ampère

ARLES
Kiosque Presse Place Lamartine
Maison de la Presse 40, Rue de la République
Presse France-Loisirs Boulevard des Lices

CABRIES
Le Temps de Lire Centre Cial GEANT Plan de Campagne

CARRY LE ROUET
Maison de la Presse 1, Route Bleue

CASSIS
Maison de la Presse 4 Ave. Victor Hugo
Presse 13 Ave. de la Viguerie

MARSEILLE
Au Royaume du Souvenir 30, Quai du Port
Cygne d'Or 29, Quai des Belges
Mag Presse 6, Rue de Breteuil
Kiosque Presse Place du Gal de Gaulle
Kiosque Presse 15, Place de la Joliette
Kiosque Presse 3, Cours Puget
Kiosque Presse 31, Cours Puget
Kiosque Presse Place Gabriel Péri
Kiosque Presse 1, Ave. du Prado
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Presse 99, Ave. de la République
Tabac Presse 425, Rue Paradis
Tabac Presse Centre Commercial Casino-Valentine

MARTIGUES
Librairie Chalaye 7, Cours du 4 Septembre
Presse 1, Ave. du 14 Juillet

PELISSANNE
Presse 77 Ave. Carnot

SAINT REMY DE PROVENCE
Maison de la Presse 12, Blvd Mirabeau

STES MARIES DE LA MER
Maison de la Presse Rue François Médina

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Mag Presse 29, Blvd du Maréchal Foch Maison de la Presse
184, Cours Victor Hugo Kiosque Presse Cours Gimon

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Last-Minute Loans Keep Haitai Afloat

Compiled by Our Staff From Dispatches

SEOUL — A last-minute pledge of emergency loans kept South Korea's Haitai Group from default on Friday.

Cho Hung Bank, the group's main creditor, said it would extend 15.2 billion won ($16.9 million) in emergency loans to the group, whose flagship Haitai Confectionery is the country's second-largest candy maker.

"Haitai provided its real estate as collateral," said Park Young Shik, a Cho Hung spokesman.

Under Korea's bankruptcy law, if companies miss debt payments for two consecutive days, they are considered bankrupt.

Meanwhile, Hanil Bank said it would provide 3.9 billion won in loans to Haitai International Inc., an unlisted company.

Haitai's debts totaled 2.95 trillion won at the end of 1996. It had assets of 3.4 trillion won.

Stock in all three listed units of the Haitai Group fell sharply. Haitai Electronics stock tumbled by its daily permissible low of 8 percent Friday to 7,620 won. Haitai Confectionery plunged 7.9 percent to 8,470 and Haitai Stores fell 7.8 percent to 4,710.

Without the bailout, Haitai would have been the latest casualty of the slowest economy in four years. Five of Korea's top 40 conglomerates, including the Kia and Hanbo groups, have gone bankrupt or been put under bankruptcy protection since January.

Earlier Friday, the heads of South Korean merchant banks agreed to refrain from calling in loans until financial markets had stabilized in recognition of the problems faced by many South Korean companies.

The banks also recommended specific steps by the government to ease their financial problems.

Lee Jung Ja, head of research at HSBC James Capel Securities, said Haitai group's future was daunting.

"The group may not be bailed out from bankruptcy by creditors because it doesn't appear to be promising," Mr. Lee said. "It has no assets to sell and rescue itself." *(Reuters, Bloomberg)*

■ Easier Borrowing

Seoul is to ease rules on foreign borrowing by large South Korean businesses next month to help ease a financial pinch caused by a series of bankruptcies, Agence France-Presse reported.

The Finance Ministry said large businesses would be allowed to raise 90 percent of the funds they need by issuing foreign currency bonds, up from the current 80 percent limit.

A ministry source said there was no need to continue regulating foreign currency borrowings by large corporations because local banks now faced difficulty securing foreign loans because of lowered credit ratings.

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The Associated Press

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Friday's 4 P.M. Close

(Continued)

Herald INTERNATIONAL Tribune

THE MONEY REPORT

SATURDAY-SUNDAY, AUGUST 23-24, 1997
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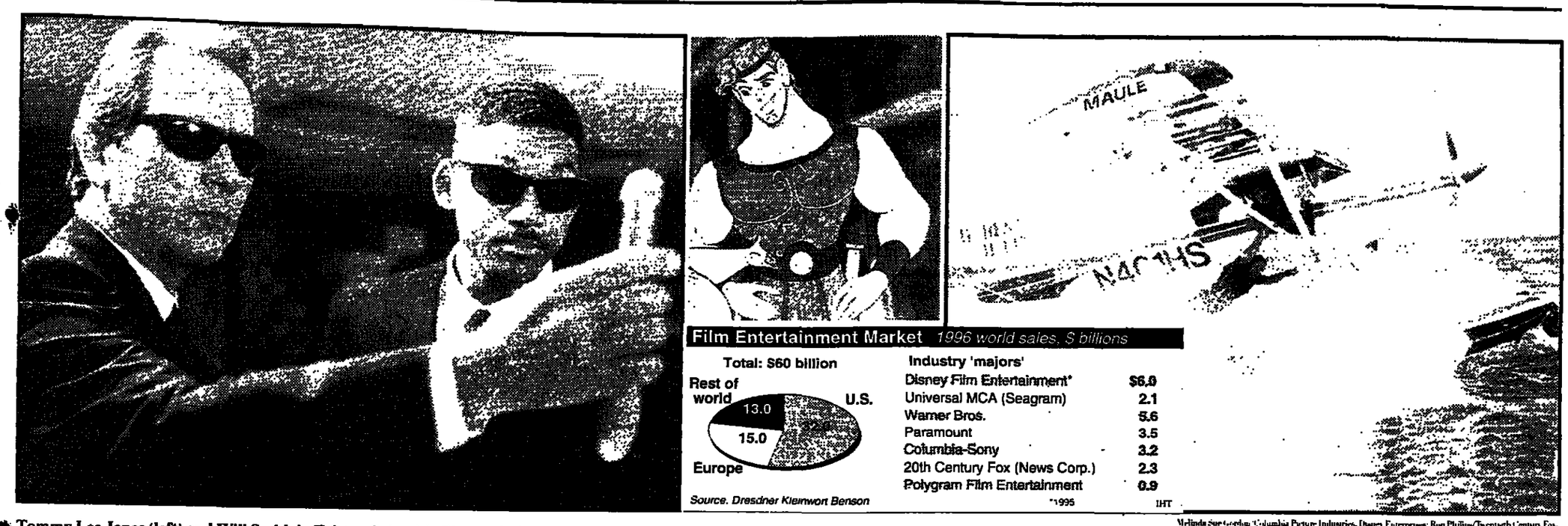


Melinda Sue Gordon/Columbia Picture Industries; Disney Enterprises; Ron Phillips/Twentieth Century Fox.

Tommy Lee Jones (left) and Will Smith in Tristar Columbia Pictures' "Men in Black"; characters in Disney's animated feature "Hercules"; Jason Patric hanging on to seaplane in Twentieth Century Fox's "Speed 2."

The Business of Show Business: Looking Behind the Curtain

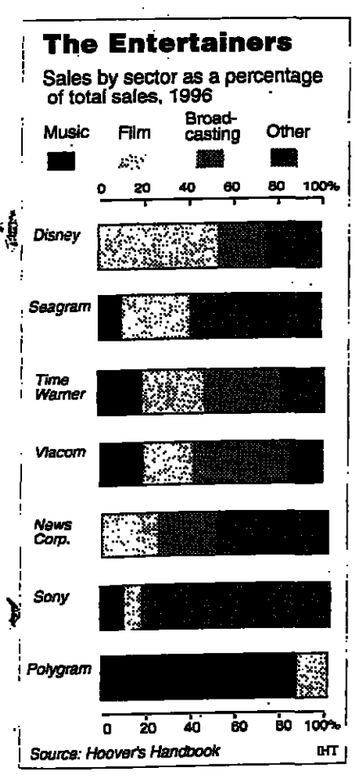
The Elusive Celluloid Portfolio

By Digby Larner and Miki Tanikawa

Summertime in the Northern Hemisphere: where better to escape the long, hot days than a movie theater? If you see a film that you like, then your ticket was a good investment, but trying to buy a piece of the company that made the movie is a far more complex transaction, and one fraught with a lot more risk than sitting through a B-grade flick.

For one thing, it is hard to invest in the movie business. There are a handful of publicly traded entertainment companies that own the major studios, but these giant conglomerates own lots of other properties, so if you want to get a piece of the movie business this way, you will have to buy lots of other things along with it.

The major players are conglomerates such as Walt Disney Co. News Corp., PolyGram NV, Time-Warner Inc. and Viacom Inc., several of which have expanded in recent years through headline-grabbing media acquisitions. Seagram Co. and Sony Corp., although substantially based in the manufacturing sector, have important film and entertainment interests, and their other operations are in largely complementary fields. Most of the studio owners also are in the music and television businesses.



All of the companies are geared to seeking out the strong leisure-spending potential they believe is present in many markets. Indeed, Laurel Saglio, an analyst with Dresdner Kleinwort Benson, said the entertainment sector is expected to grow twice as fast as the average gross domestic product in developed countries over the next five years.

Even if you decide that the big entertainment conglomerates are the way to go, figuring out which company offers the best prospects can be tough. Analysts say that valuing one international media corporation against another is difficult and mostly unrewarding. The various media sectors that they operate in, together with the diversity of international markets, makes them almost incomparable.

Netherlands-based PolyGram, for example, although currently trying to break into film and television production, remains heavily influenced by trends in the music industry. Geographically its sales are weighted toward Europe and emerging markets.

Sony, on the other hand, draws 78 percent of its income from the sale of electronic equipment and only 17 percent from music and film. Globally its market splits into three broadly equal parts covering Japan, the United States and Europe.

Walt Disney Co., although possibly the most global of international media companies, has recently sold some of its peripheral interests in a bid to refocus on its core activities of film, television, theme parks and merchandising.

The best way for investors to get the type of exposure to the entertainment market they want is to take a close look at just what each of the majors does, say analysts. It may also be better to consider individual corporations relative to the markets they operate in rather than against other companies.

Guy Lamming, a media analyst with Goldman, Sachs in London, favors PolyGram, despite some of the problems that have dogged its music sales in recent years.

"A good proxy for PolyGram to grow music revenues is the forecast for total revenue sales growth," he said. "We estimate that the figure should increase from 2 percent in 1996 to 6.6 percent in 1997. If this is the outcome, then PolyGram equity owners should start to experience a flow of relatively good news rather than profit warnings."

But he warned that tapping into predicted music sales growth depended heavily on PolyGram's ability to overcome marketing difficulties in the music industry. Apart from an inevitable slowdown in the growth of CD sales as the transition from other music technologies matures, music businesses need to confront shifting consumer patterns, the spread of discounters and the continued problem of piracy.

Mr. Lamming said retailing has suffered from the absence of a new "hot sound" that has the broad appeal that punk, disco and rap had in the past. Consumer tastes are currently fragmented into a number of music types such as hip-hop, country and dance.

"The current strength of pop with the Spice Girls, Hanson and the Bee Gees is not expected to lead to a new sound emerging," said Mr. Lamming.

There seems little reason why PolyGram should be better placed to win sales ahead of its major music competitors such as Bertelsmann AG, EMI Group PLC or Time Warner. But its earnings may be set to get a boost from the company's diversification into television and film production, said Mr. Lamming.

PolyGram Filmed Entertainment has been of dubious benefit to shareholders since its launch. It has so far failed to provide a return on the $1 billion that PolyGram has invested.

Mr. Lamming expects the operation to swallow a further $500,000 before showing a profit. Over the next three years, however, this portion of the business will be a contributor to possible average annual earnings of 14 percent, he said.

But ahead of a turnaround at the film unit, PolyGram shareholders remain nervous. After climbing from a low of 83 guilders ($40) in February to 125 guilders this month, it has fallen back and closed Friday at 111.50 guilders.

Morgan Stanley Dean Witter in New York is less optimistic about an early turnaround in the music sector, however. This month it recommended Time Warner as a strong buy because of the performance of its various cable-television and production interests in addition to the company's commitment to shrink its debt burden. According to Richard Bilotti, a media analyst, the

Continued on Page 17

Small Entertainment Companies Spawn Large Ideas

By Judith Rehak

At first glance, the entertainment industry might seem to be the exclusive province of giant conglomerates like Walt Disney Co., Time Warner Inc. and Sony Corp., whose multibillion-dollar empires encompass everything from movies and music to books and cable television.

But there is a lot to be said for the smaller players, according to analysts who follow such companies — and profits to be made for investors as well. To start, they are less complicated to evaluate because they stick with a single line of business or a few closely related ones. Small is better, they contend, because a chief executive can really focus on the business, in contrast to conglomerates, where bigger, unrelated management teams mean there is more room for conflict and error.

"Meaningful growth is also easier for smaller companies because it's off a smaller base," said Sean McGowan, an entertainment analyst for Gerard Klauer Mattison, a New York City brokerage. "Disney is talking about 15 to 20 percent growth every year, but that gets harder and harder because you can only get so much out of the film market, and you can only squeeze so many people into a theme park."

Underscoring his point, Mr. McGowan has a buy recommendation out right now on a company called Equity Marketing Inc., which has a niche in the $65 billion licensing industry, an integral part of the entertainment business. He expects the company to ring up about $140 million in sales this year, compared with only $15.3 million when its current management took over six years ago.

"What I like about Equity Marketing is that it isn't a capital-intensive business that needs millions of dollars," said Mr. McGowan.

The company borrows the name recognition or "equity" from popular entertainment characters to make promotional toys under license. Its biggest customer is Burger King, which gives away the toys with its popular "Kid's Meals," often timed to coincide with movie releases. Two major successes, for example, were toys from Disney hits, "The Lion King" and "Toy Story." Other winners were Bugs Bunny, the Mighty Morphin Power Rangers and Izzy, the mascot of last year's Olympics.

Juana Arias/The Washington Post

Customers playing video game at a Dave & Buster's complex in a mall.

The company is also diversifying into related areas, such as the production of entertainment-character toys for retail stores, and acquiring smaller companies, including one that makes small metal racing cars under license from the National Association of Stock Car Auto Racing that are given away as premiums at gas stations. Mr. McGowan said he thought its sales could double over the next four years.

With its huge domestic market, the United States is often an incubator for new concepts in the industry. One of the latest is "site-based entertainment," or one-stop entertainment and restaurant centers.

Craig Bibb, an analyst with PaineWebber Inc. in New York, likes Dave & Buster's Inc., a company that was launched and is still run by two entrepreneurs from Little Rock, Arkansas (actually named Dave and Buster), one in the restaurant business and the other who ran a video arcade. The two joined forces to build elaborate entertainment centers, now numbering 10 across the United States, with four more on the drawing boards.

Not surprisingly, some of the behemoths, such as Disney, are muscling into the site-entertainment arena. But they do not compete directly with Dave & Buster's, whose complexes are directed toward adults, said Mr. Bibb.

He described the centers as having "the latest video games, virtual reality games, beautiful pool tables, bowling, a murder mystery theater, sports bars and quality food," with the mix depending on the location. "The one in downtown Chicago has a sports bar, and it's jam-packed when there's a basketball game," he said.

The complexes are highly profitable, according to Mr. Bibb, with revenues per center running from about $12 million a year to nearly $20 million for top performers. He projected earnings per share of $1.10 this year, compared with 87 cents in 1996.

Dave & Buster's is also exporting its concept. In a joint venture with Bass PLC, it recently launched its first entertainment complex outside the United States in Birmingham, England. Similar deals are under discussion for the Pacific Rim and Latin America, said Mr. Bibb.

There is at least one entertainment category where Americans do not dominate, however. When it comes to arcade "fighting and racing" video games, the Japanese excel. While it is not as well known or as big as Sega Enterprises Ltd. or Nintendo Co., Namco Ltd. has the approval of Reinier Dobbelmann, computer software and games analyst with SBC Warburg (Japan) Inc.

"In their niche, which is arcade-style games, Namco is often more innovative, and better than Sega," he said.

Namco is known for its interactive fighting video games. Among the latest are Tekken 3, a 3-D combat game that the analyst said is likely to sell a million copies in its home version; Ace Combat II, where the player pilots a fighter jet in combat, and Soul Edge, which features medieval fighting with swords and axes.

The company also builds arcade-game equipment, but its game software is the "swing factor" in terms of profitability, said Mr. Dobbelmann. Indeed, a deal with Sony to provide the software for its popular Play Station, a home game machine, is proving to be a bonanza for Namco. Net profit soared 48 percent for its financial year that ended in March 1997, fueled by sales related to Play Station.

The video game maker has some other advantages over its competitors. In an industry that has "a long and colorful history," and is often seen as high risk, Namco is conservatively managed, and lower risk, said Mr. Dobbelmann. Namco's share price has risen roughly 30 percent, to a close on Friday at 4,300 yen ($36.68) since he recommended it a few months ago, but he said he still liked the stock. His target price is 4,800 yen.

A Risk-Free (No Kidding) Bet on the Stock Markets

JAMES GLASSMAN *ON INVESTING*

Up a hundred points, down a hundred points. In this tumultuous market, many small investors are reluctant to commit any new money. At such giddy heights, fear of losing a bundle is not unfounded.

But what if I told you that there's an investment that will give you no downside but an unlimited upside? An investment with a guarantee against loss but no restrictions on gain?

In fact, there are several such investments trading on the American Stock Exchange; they are low-priced and easy to buy and sell.

These securities, which are actually derivatives, vary in their details, but a typical one works this way: If the Standard & Poor's 500 Stock Index, a popular market average, goes up, you get the entire increase, often plus a bonus. If it goes down, you get your initial investment returned in full.

Talk about having your cake and eating it too.

Most of these investments are issued by Merrill Lynch & Co. and called MITTS, or index target-term securities. Although the first MITTS were launched five years ago, few investors are aware of them. All MITTS have an expiration date, and that first series closed just this week, but there are at least a dozen more being actively traded, with new ones — including a MITTS geared to the Russell 2000 Index of small-cap stocks — on the way.

To give you an idea of how the typical MITTS works, let's look at the first one:

In January 1992, Merrill sold shares of this MITTS (its symbol on the Amex is MIT) for $10 apiece to the public. Each share carried a promise to pay, in August 1997, an amount equal to the percentage increase in the S&P over that period, plus an extra 15 percent, times $10 *and* the original $10 back. There was another promise: If the S&P was lower in 1997 than it was in 1992, investors wouldn't be penalized. Merrill would still return the $10 initial investment.

When the shares were issued, the S&P was 412. On Thursday, it was 925. That's an increase of 125 percent. Add 15 percent of that and you get a total increase of 143 percent — times $10 equals about $14 per share. Add the original $10, and the shares are worth $24, which is almost exactly how they stood on the Amex at the end of the week.

Like all stocks, you don't have to buy MITTS when they are issued. You can buy and sell them at any time, using any broker.

They come in lots of flavors. Merrill, for instance, offers MITTS linked to a technology index (symbol: TKM), a health-care index (MLH), a European index (MEM) and more. A new inflation-adjusted one will guarantee that investors get their $10 back plus an adjustment for increases in the Consumer Price Index. Bonuses (if any) for all these MITTS vary.

PaineWebber sponsors what it calls "stock index return securities," based on the S&P 400 Index of mid-cap stocks (symbol: SIS). Salomon Brothers Inc. has a MITTS-style Nikkei security due in 2002 that pays the increase in that Japanese index plus a 42 percent bonus.

So what's the catch? There are several, but none is especially significant:

First, these shares (or, technically, units) are obligations of Merrill Lynch — or any other issuing company, or even country. If something nasty happens to the issuer, and it cannot make good on its guarantee, then you are out of luck.

Think of these securities as debt. After all, Merrill Lynch calls them "protected growth notes." You lend Merrill $10 and, instead of paying you, say, 7 percent interest a year, the company pays you "contingent interest" in a lump sum at the end of several years. The amount depends on what happens to the S&P 500. Of course, as with any debt, Merrill promises to give you your principal back. The top U.S. brokerage could default, but the chances are remote.

Second, there can be a tax problem. The U.S. government now treats MITTS as though they were zero-coupon bonds (some earlier MITTS escaped that designation). "The investor has to accrue interest income," Robert Willens, a tax specialist who follows MITTS for Lehman Brothers, said.

Third, Merrill guarantees only that investors receive the initial offering price back, not the current trading price. For example, a MITTS series that's due in 2001 (symbol: MIX) was trading Friday at $13.56 per share. But four years from now, Merrill promises only to return $10. For that reason, you may be more comfortable buying more recent issues, such as the series with the symbol MIM, due in 2002 and now trading at $10.50. Or the new small-cap, European and inflation-adjusted MITTS.

Fourth, you get no dividends. Even in this low-dividend environment, the money you forgo can exceed the 15 percent kicker — especially if stocks are zooming. For example, while the S&P gained 125 percent over the life of that first MITTS, its return (with dividends reinvested) was about 160 percent, according to Bloomberg Business News.

Finally, understand that Merrill and the other firms that offer these investments aren't charitable institutions. While MITTS seem too good to be true, they aren't. For instance, even though you get your money back if the S&P drops, you get no interest, and Merrill has had the use of your money for several years.

Also, history shows that the stock market doesn't fall that much. Ibbotson Associates examined every five-year cycle since 1926 and found that the S&P suffered a decline in only seven of 67 periods. If that pattern holds, then Merrill's odds of having to pay back the full principal despite a drop in the S&P are roughly one in 10.

But, then again, the pattern may not hold, especially in a market that many analysts believe is seriously overvalued. "This is not a bad deal at all," says Mr. Willens. "What investors love is getting their principal back."

Washington Post Service

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w First Eagle Fund $ 108815.37E
w The Global Beverage Fd $ 13.01E

015 ASIA PACIFIC PERFORMANCE, SICAV
w APP $ 12.26

016 ATLAS CAPITAL MANAGEMENT LTD
w The Credit Spectrum Fd $ 1016.15+
w Atlas Global Fd $ 1117.19+
w Atlas FITC Arbitrage Fd $ 1291.40+
w Convertible Arbitrage Fd $ 1154.87+
w Challenger Fd $ 1085.26
w The Discovery Fund $ 1125.65+
w The Second Atlas Arbitrage $ 1080.66+

017 BAII Tel: 44-171-734 3700
w Intermarket Fd Latest NAV $ 561.42
Interportfolio Fund
w Convertible Fd (FF) FF 3394.02
w Convertible Fd (US$) $ 780.93

018 BANK BRUSSELS LAMBERT (32-2) 481 3340
d BBL Invest America Cap $ 202.79
d BBL Invest Belgium Cap BF 25166.00
d BBL Invest Japan Cap Y 23371.00
d BBL Invest Latin Amer Cap $ 719.39
d BBL Invest HK & China Cap $ 334.82
d BBL Invest Asian Grth Cap $ 457.25
d BBL Invest UK Cap £ 410.69
d BBL (L) Inv Goldmines Cap $ 132.85
d BBL (L) Invest Europe Cap LF 2565.00
d BBL (L) Invest World Cap LF 6372.00
d BBL (L) Inv Base Met Cap $ 546.05
d BBL (L) Inv Telecom & Med $ 615.25
d BBL (F) Invest France Cap FF 1315.20
d BBL Renta Fd Intl Cap LF 5390.00
d BBL Patrimonial Bal Cap LF 29847.00
d BBL R.C.St. Medium Cap BF 13437.00
d BBL & FIC Fund Convert Bds DM 5827.93

019 BANQUE BELGE ASSET MGMT FUND
Sarre Gottfortst Guernsey 441 481 726614
w Intl Equity Fund $ 12.17
w Intl Bond Fund $ 16.83
w Dollar Zone Bd Fd $ 12.33
w Asia Pacific Region Fd $ 11.60
w India Fund $ 7.06
w Sterling Equity Fd £ 1.503
w Sterling Bd Fd £ 1.935

201 BANQUE EDOUARD CONSTANT
d BEC Eq Fd Intesec SF 93.??
d BEC Eq Fd Intosec SF 277.87
d BEC Swissfund SF 269.11

BANQUE FRANCAISE DE L'ORIENT
m BFO Sicav-Global Strategies $ 1099.59

020 BANQUE INDOSUEZ
w The Dragon Fund $ 89.64
w Maxima Fut Fd Ser 1 Cl A $ 125.196
w Maxima Fut Fd Ser 1 Cl B $ 112.549
w Maxima Fut Fd Ser 2 Cl C $ 142.076
w Indosuez Curr Cl A Units $ 130.786
w Sarmara Japan Warrant $ 1.23
w Indosuez High Yld Bd A $ 109.70
w Indosuez High Yld Bd B $ 151.68
w Maxi Escand Ptas 180115.00
w Indosuez Latin America $ 10.46
w Indosuez Multimedia Fd $ 19.82
INDOSUEZ ASSET MGT ASIA
w Indosuez Asian Pfl-Philip A $ 18.52
w Indosuez Asian Pfl-Philip B $ 18.60
w ISA Asian Growth Fund $ 90.58
w ISA Japan Reg Growth Fd Y 730.00
w ISA Pacific Gold Fund $ 13.77
w ISA Asian Income Fund $ 12.39
w Indosuez Korea Fund $ 8.60
w Shanghai Fund $ 19.71
w Himalayan Fund $ 15.70
w Manila Fund $ 19.82
w Malacca Fund $ 16.54
w The Siam Fund $ 23.29
w Indosuez Hong Kong Fund $ 88.375
w Indosuez Sinc & Malay Tst $ 37.95
w Indosuez Pacific Tst HK$ 39.27
w Indosuez Japan Fd $ 13.46
w Indosuez Managed Tst $ 36.09
w Indosuez Asian Pfl-Indon A $ 14.80
w Indosuez Asian Pfl-Indon B $ 14.93

021 BANQUE SCS ALLIANCE
(4122) 839-4580, Geneva
w Pleiade North Am Equities $ 175.88
w Pleiade Europe Equities Ecu 231.94
w Pleiade Asia Pacific Eq $ 114.83
w Pleiade Environment Eq $ 111.43
w Pleiade Dollar Bonds $ 116.08
w Pleiade ECU Bonds Ecu 140.02
w Pleiade FF Bonds FF 122.21
w Pleiade Intl Conv Bonds SF 107.90
w Pleiade Dollar Reserve $ 117.66
w Pleiade ECU Reserve Ecu 115.07
w Pleiade SF Reserve SF 108.73
w Pleiade FF Reserve FF 116.40

190 BARCLAYS GLOBAL INVESTORS HK
42/F Citibank Tower,Citibank Plaza,Garden Rd,HK
Tel : (852) 2903212
d China (PRC)(21/08) $ 19.216
d Hong Kong (21/08) $ 88.796
d Indonesia (21/08) $ 11.728
d Japan (21/08) $ 6.608
d Korea (21/08) $ 6.963
d Malaysia (21/08) $ 21.868
d Philippines (21/08) $ 18.853
d Singapore (21/08) $ 20.197
d Thailand (21/08) $ 15.157
d Asean Fund (21/08) $ 6.452
d South East Asia (21/08) $ 28.131

022 BARING INTL FD MANGRS (IRELAND) LTD (SIB RECOGNIZED) (FAX 82503
IFSC HSE,Custom Hse Docks,Dub 44171 6286000
d Baring Emerg World Fund $ 9.94
d Baring Global Resources $ 14.02
d High Yield Bond $ 13.55
d Japan Smaller Cos Fund $ 6.62
d Baring Eastern Europe Fd $ 17.80
d World Bond FFR FF 86.22

023 BARING INTL FD MNGRS (IRELAND) LTD (NON SIB RECOGNIZED) (FAX 82503
d Australia $ 35.68
d Japan Fund $ 21.85
d Malaysia & Singapore $ 120.82
d North America $ 54.69
d Octopus Fund $ 45.27
d Pacific Fund $ 121.85
d International Bond $ 20.35
d Europa Fund $ 28.26
d Hong Kong $ 220.08
d Tristar Warrant $ 58.22
d Global Emerging Mkts $ 13.88
d Latin America $ 18.63
d US Dollar Currency Fund $ 18.93
d Currency Fund Managed $ 56.96
d Korea Feeder Fund $ 6.312
d Europe Select Feeder Fund £ 1.81

024 BEACON GLOBAL ADVISORS LTD
m Gemini Cays Ltd $ 4967.21
m Compass Series N Ltd $ 10863.50
m Compass Series R Ltd $ 3086.62
m Compass Series S Ltd $ 9267.80
m Compass Series W Ltd $ 7162.30

281 BEC UNIVERSAL FUND
d Global Eq USD A (Dis) $ 26.4434
d Global Eq USD B (Cap) $ 28.7921
d Global Bonds USD A (Dis) $ 16.8076
d Global Bonds USD B (Cap) $ 24.6878
d Global Bonds FRF A (Dis) FF 134.8041
d Global Bonds FRF B (Cap) FF 211.4124
d Europe ECU A (Dis) Ecu 242.0038
d Europe ECU B (Cap) Ecu 249.6180
d Far East USD A (Dis) $ 24.8494
d Far East USD B (Cap) $ 25.2218
d Japan JPY A (Dis) Y 973.770
d Japan JPY B (Cap) Y 973.770
d Parsec FRF B (Cap) FF 154.5669
d Latin Am USD A (Dis) $ 23.7692
d Latin Am USD B (Cap) $ 24.0894
d Nordic Eq Sek B (Cap) Sek 177.5792

025 BELINVEST FUNDS
m Belinvest Brazil Select Fd $ 134.79+
m Belinvest Equiplus Fd $ 1087.37
m Belinvest Realty Fund Plc $ 111.59
w Belinvest-Rumbaud $ 1615.95

027 BOWEN CAPITAL MGT
w Stewart Asia Fund $ 11.0550
w Zipango Fund $ 8.4974

031 CALLANDER Tel:0033-1-45474594
Fax:45474599
w Callander F-Asset $ 761.87
w Callander F-Austrian AS 1520.93
w Callander F-Eastern Europe DM 106.56
w Callander F-Growth Opp $ 191.87
w Callander F-Spanish Ptas 13833.00
w Callander F-Swiss Growth SF 1026.
w Callander F-US Health Care $ 59.05

032 CAPITAL INTERNATIONAL
w Capital Intl Fund $ 215.21
w Capital Italia SA $ 59.48

033 CAPITAL INVESTMENT GROUP PLC
w Capital Growth Fd $ 10.21

034 CDC INTERNATIONAL
w CEP Court Terme FF 203318.59

035 CHEMICAL IRELAND FD ADM LTD
353-1 66 12 433
w AHL Diversified Plc $ 15.22

205 CHILTON
c/o Citco Fund Services (Curacao) N.V.
Tel (599-9) 32 22 22
m Chilton Intl (BVI) Ltd Cl A $ 18604.00E
m Chilton Intl (BVI) Ltd Cl B $ 16471.00E
m Chilton Natural Res. (BVI) $ 11301.00

036 CITIBANK (LUXEMBOURG) S.A.
POB 1373 Luxembourg Tel. (352) 4514 14-1
d Citinvest Global Bond $ 122.05
d Citinvest FGP USD $ 1477.09
d Citinvest FGP ECU Ecu 1432.72
d Citinvest FGP ESP Ptas 11944.00
d Citinvest Selector $ 1857.57
d Citicurrencies USD $ 1913.22
d Citicurrencies DEM DM 158.99
d Citicurrencies GBP £ 193.51
d Citiport N.A. Equity $ 441.49
d Citiport Cont. Euro Equity Ecu 324.38
d Citiport UK Equity £ 195.85
d Citiport French Equity FF 2041.73
d Citiport German Equity DM 165.75
d Citiport Japan Equity Y 4426.00
d Citiport IAPEC $ 327.59
d Citiport Eamac $ 117.41
d Citiport N.A. $ Bond $ 192.63
d Citiport Euro Bond Ecu 194.52
d Citiport Jap Sm Cap Y 7426.00
d Citiport Italian Equity Lit 138492.00
d Citiport US Opp. Bond $ 104.07
d Citiport US Eq Gro $ 130.05
d Citiport US Sm Cap $ 99.12
d Citiport It ST Bond Lit 105543.00
d Citiport It LI Bd ITL 110640.00
m CL Asian Income Fund $ 106.53
w CL MGD Currency Fund $ 180.26
d India Focus Fund $ 733.84
d Money Manager I $ 11.19
d Money Manager II $ 11.23
d Citiselect Pfl Balanced Fd $ 11.74
d Citiselect Pfl Growth Fd $ 11.79
d Citiselect Pfl Enhanced Grth $ 11.61

038 CITIBANK GLOBAL ASSET MGT (ASIA) Ltd
Tel 00 852 2868 6266 Fax 00 852 2523 1379
d CIF (Cayman) Asia Eq $ 8.76
d CIF (Cayman) H K Eq $ 15.41

039 CITITRUST
m Citiperformance PHR S.A. $ 22.085

040 COMGEST (33-1) 44 70 75 10
w C.F.E. Onyx Fund $ 16.3608
w C.F.E. Lotus Fund $ 11.7124
w Comgest Asia $ 1462.14
w Comgest Europe SF 2609.45
w Panda Sicav $ 984.77

041 CONZETT HOLDINGS LTD
Internet site: www.conzett.com
w Conzett Limited SF 1924.21
w Conzett Europa Invest Ltd SF 2072.63
w Conzett Forex Fund Ltd SF 1375.77
w Emerg Mkts Guard Fd Ltd DM 1484.70
w Equilibrium Fund Ltd DM 1375.13
w Sunflower Trading Fd Ltd DM 2203.50

042 COWEN ASSET MANAGEMENT
Cowen Enterprise Fund N.V
w Class A Shs $ 1140.95
w Class B Shs $ 2161.81

043 CREDIS INVESTMENT FUNDS
Tel +41 1 333 8500 Fax +41 1 221 3425
d CS Portf F L Fix Inc (DM) A DM 104.05
d CS Portf F L Fix Inc (DM) B DM 111.41
d CS Portf F L Fix Inc (SFR) A SF 102.66
d CS Portf F L Fix Inc (SFR) B SF 107.98
d CS Portf F L Fix Inc (US$) A $ 102.74
d CS Portf F L Fix Inc (US$) B $ 110.35
d CS Portf F L Inc DM A DM 117.39
d CS Portf F L Inc DM B DM 137.32
d CS Portf F L Inc (Lire) A Lit 115237.00
d CS Portf F L Inc (Lire) B Lit 130584.00
d CS Portf F L Inc SFR A SF 113.45
d CS Portf F L Inc SFR B SF 127.66
d CS Portf F L Inc US$ A $ 108.57
d CS Portf F L Inc US$ B $ 122.49
d CS Portf F L Bal DM DM 134.61
d CS Portf F L Bal SFR SF 135.39
d CS Portf F L Bal US$ $ 128.12
d CS Portf F L Focus SFR A/B SF 111.79
d CS Portf F L Growth DM DM 147.92
d CS Portf F L Growth SFR SF 135.82
d CS Portf F L Growth US$ $ 130.90
d Credis Money Mkt Fd BEF BF 63880.00
d Credis Money Mkt Fd C$ C$ 1527.05
d Credis Money Mkt Fd DM DM 1976.55
d Credis Money Mkt Fd Ecu Ecu 1615.49
d Credis Money Mkt Fd FF FF 7122.87
d Credis Money Mkt Fd HFl Fl 1341.37
d Credis Money Mkt Fd Lit Lit 1599995.00
d Credis Money Mkt Fd Pta Ptas 157943.00
d Credis Money Mkt Fd SF SF 631.97
d Credis Money Mkt Fd £ £ 2104.00
d Credis Money Mkt Fd Yen Y 147505.00
d Credis Money Mkt Fd £ £ 2816.18
d Credis Eq Fd Emerg Mkts $ 1308.34
d Credis Eq Fd Eur Blue Ch A DM 465.27
d Credis Eq Fd Eur Blue Ch B DM 500.50
d Credis Eq Fd France A FF 1407.72
d Credis Eq Fd France B FF 1593.11
d Credis Eq Fd Germany A DM 437.76
d Credis Eq Fd Germany B DM 489.71
d Credis Eq Fd Gold Mines A $ 182.07
d Credis Eq Fd Gold Mines B $ 204.90
d Credis Eq Fd Hisp Iber A Pta 53156.00
d Credis Eq Fd Hisp Iber B Pta 60455.00
d Credis Eq Fd Italy A Lit 336673.00
d Credis Eq Fd Italy B Lit 356921.00
d Credis Eq Fd Jap Megat SF SF 235.65
d Credis Eq Fd Jap Megat Y 22225.00
d Credis Eq Fd Lat Amer $ 1189.80
d Credis Eq Fd Netherlds A Fl 1014.61
d Credis Eq Fd Netherlds B Fl 1082.61
d Credis Eq Fd Nth-Amer A $ 410.35
d Credis Eq Fd Nth-Amer B $ 461.38
d Credis Eq Fd Eco Effic A $ 154.16
d Credis Eq Fd Eco Effic B $ 170.08
d Credis Eq Fd Small Cap Eur DM 1866.88
d Credis Eq Fd Small Cap Ger DM 1215.54
d Credis Eq Fd Small Cap Jap Y 56988.00
d Credis Eq Fd Sm Cap USA $ 2120.20
d Credis Eq Fd UK A £ 152.12
d Credis Eq Fd UK B £ 173.43
d Credis Eq Fd Trust India $ 1258.38
d CS Eq Fd Korea $ 376.44
d CS Eq Fd Smll+Mid Cap SF SF 346.35
d CS Eq Fd Global SF 201.82
d CS Eq Fd Gold $ 100.37
d CS Eq Fd Tiger $ 1211.94
d CS Eq Fd Energie SF 244.11
d CS Eq Fd Europa SF 467.27
d CS Eq Fd Japan Y 8148.00
d CS Eq Fd Swiss Blue Chips SF 1577.00
d CS Eq Fd Pharma SF 1092.08
d CS Bond Fd Dynamic DM DM 137.40
d CS Bond Fd Dynamic SFR SF 128.85
d CS Bond Fd Dynamic US$ $ 148.90
d CS Bond Fd Dynamic Yen Y 11950.00
d CS Bond Fd Dynamic £ £ 110.54
d CS Bond Fd Convertibles SFR SF 197.75
d CS Bond Fd Convertibles US$ $ 212.18
d Credis Bond Fd Aus$ A A$ 1230.24
d Credis Bond Fd Aus$ B A$ 1705.41
d Credis Bond Fd Can$ A C$ 1295.31
d Credis Bond Fd Can$ B C$ 1631.20
d Credis Bond Fd DM A DM 124.89
d Credis Bond Fd DM B DM 176.47
d Credis Bond Fd Ecu A Ecu 110.99
d Credis Bond Fd Ecu B Ecu 226.36
d Credis Bond Fd Em Mkts $ 1486.79
d Credis Bond Fd Europa A DM 245.49
d Credis Bond Fd Europa B DM 461.70
d Credis Bond Fd FF A FF 891.57
d Credis Bond Fd FF B FF 1395.07
d Credis Bond Fd Gulden A Fl 116.95
d Credis Bond Fd Gulden B Fl 196.09
d Credis Bond Fd Lire A Lit 279929.00
d Credis Bond Fd Lire B Lit 344093.00
d Credis Bond Fd Pesetas A Ptas 23037.00
d Credis Bond Fd Pesetas B Ptas 27375.00
d Credis Bd Fd Prime Curr A SF 90.09
d Credis Bd Fd Prime Curr B SF 157.69
d Credis Bd Fd Short-T. DM A DM 110.81
d Credis Bd Fd Short-T. DM B DM 118.84
d Credis Bd Fd Sh-T SFR A/B SF 102.36
d Credis Bd Fd Short-T $ A $ 103.36
d Credis Bd Fd Short-T $ B $ 189.88
d Credis Bond Fd SF A SF 288.89
d Credis Bond Fd SF B SF 367.72
d Credis Bond Fd USS A $ 1067.44
d Credis Bond Fd USS B $ 1619.89
d Credis Bond Fd Yen A Y 113310.00
d Credis Bond Fd Yen B Y 131958.00
d Credis Bond Fd £ A £ 597.94
d Credis Bond Fd £ B £ 964.72
d CS Capital DM 2000 DM 1836.25
d CS Capital DM 2000 Ecu 1832.05
d CS Capital FF 2000 FF 1764.34
d CS Capital SFR 2000 SF 1864.36
d CS Bd Fd Convertibles £ £ 106.95
d CS Bd Fd Global SF 113.82
d CS Euroreal DM 108.25

044 CREDIT COMMERCIAL DE FRANCE
d Elysees Monetaire FF 17280.87
d Sam Acticash USD B $ 1295.99

045 CREDIT LYONNAIS ROUSE (Bermuda) Ltd
m Systeminvest Ltd $ 16.364
CLR SELECT 31-07-97 (LUX REG)
m Dis US Ord $ 10.72
m Dis DM Ord DM 20.91
m Dis FFr Ord FF 54.98
m Dis AS Ord AS 9.51
m Dis US Gntd May 99 $ 11.66
m Dis AS Gntd Jan 2000 AS 13.29
THE VOLATILITY FUND 31-07-97 (LUX REG)
m The Volatility Fd US$ $ 7.71

046 CURSITOR FUND
w Cursitor East Asian Eq $ 86.54
w Cursitor Gld Bd Oppor $ 126.56
w Cursitor Glbl Gwth Sub-Fd $ 117.97

047 DARIER HENTSCH GROUP
Tel 41-22 708 68 68
d Hentsch Treasury Fd SF 9984.85
d DH Major Markets Fund SF 14408.34
d DH Mandarin Portfolio SF 18615.55
d DH Swiss (Ex. SMI) SF 13580.25
d DH Taipan Port $ 81.776
d Samurai Portfolio SF 283.55
d DH Cyber Fund $ 109.536

048 DELTEC PANAMERICA TRUST CO. LTD
w Deltec Latin American Fd $ 34.58
w Deltec Worldwide Inc Fd $ 13.90
w Deltec High Yield Fd $ 11883.18

049 DISCOUNT BANK GROUP
w Scant Bd Mlt Hgd Dollar $ 1400.43
w Scant Bd Multi Hgd CHF SF 1504.65
w Scant Bd Multi Hgd FRF FF 5643.95
w Scant Bd Multi Hgd DEM DM 1097.66
w Scant Bd M H Short T USD $ 1130.80
w Scant Bd M H Short T FRF FF 5507.53
w Scant Bd M H Short T DEM DM 1034.15
w Scant Bd Multi CHF CHF 1042.27
w Scant Bd Multi USD $ 1068.43
w Scant Equity Europe Ecu 243.65
w Scant Eq N. America $ 324.77
w Scant Eq French FF FF 127.59
w Scant Eq Japan Y 749.82
w Scant Eq Technology $ 1392.11
w Scant Em Mkts Pacific $ 1288.61
w Scant Middle East Israel $ 1412.35

050 DISCOVER INVESTMENTS
r Discover Asia $ 9.07
r Discover Europe $ 13.62

051 DOSSIER DE GESTION COLLECTIVE
w Global $ 404.71
w America $ 136.02
w Europe SF 166.44

052 DRESDNER BANK INVESTMENT GROUP
DIT DT. INVESTMENT-TRUST, FFM
PC Box 110661,D60039 Frankfurt.Fax2631 4366
c Concentra + DM 93.90+
c Intl Rentenfond + DM 80.46+
DRESDNER KLEINWORT BENSON INT'L MANAGEMENT SERVICES LTD
La Touche House - IFSC - Dublin 1
DSB Thornton Lat Am Sel Fd
c Conquistador Fund $ 11.10

053 DUBIN & SWIECA
Tel (809) 945 1400 Fax (809) 945 1488
m Highbridge Capital Corp $ 20026.34
m Overlook Performance $ 3103.19

054 EBC FUND MANAGERS (Jersey) LTD
1-3 Seale St, St Helier. 441534-36331
EBC TRADED CURRENCY FUND LTD
d Capital SF 24.5140
d Income SF 23.7800
INTERNATIONAL INCOME FUND
d Long Term $ 34.5897
d Long Term - DMK DM 118.4454

055 ED & F MAN INVESTMENT PRODUCTS
(41) 46051814, Internet http://www.manip.ch
m Mint Limited - Ordinary $ 47.34
m Mint Limited - Income $ 13.94
m Mint Gtd Ltd - Spec Issue $ 26.68
m Mint Gtd Currencies $ 8.36
m Mint Gtd Currencies 2001 $ 8.22
m Mint G GL Fin 2003 $ 7.44
m Mint Plus Gtd 2003 $ 10.46
m Mint Plus Gtd Bond $ 111.04
m Athena Gtd Futures $ 25.15
m Athena Gtd Currencies $ 9.80
m Athena Gtd Financials Cap $ 26.17
m Athena Gtd Financials Inc $ 22.19
w AHL Alpha plc $ 160.20
m AHL Capital Mkts Fd $ 29.91
m AHL Commodity Fund $ 13.80
m AHL Currency Fund $ 18.11
m AHL Div Gtd Ltd $ 156.77
m AHL Div Gtd II Ltd $ 14.71
m AHL Div plc $ 15.22
m AHL P3 Ltd $ 10.13
m AHL Gtd Real Time Trd $ 12.81
m AHL Gtd Cap Mark Ltd $ 22.78
m AHL Gtd Commodities Ltd $ 11.79
r MAN-Glenwood M.S $ 137.90
m MAN-IP 220 Ltd $ 11.66
m MAN-IP 220 (S2) Ltd $ 11.06
m MASI Ltd $

056 ERMITAGE LUX (352-4073 30)
http://www.Ermitage.lu
w Ermitage Asian Hedge Fund $ 10.17
w Ermitage Selz Fund $ 41.55
w Ermitage Emer Mkts Fd $ 26.79
w Ermitage UK Value Fd £ 16.16
w Ermitage Goey Fund DM 15.26
w Ermitage Glbl Mining Invl $ 9.29

057 EUROPA FUNDS LIMITED
d American Equity Fund $ 320.50
d American Option Fund $ 278.49
d Asian Equity Fd $ 143.14
d European Equity Fd $ 227.96

058 EUROPEAN FINANCIAL GROUP EFG
PROTON FUND
w Proton US$ Cash Fd $ 6226.73
w Proton Ecu Cash Fd Ecu 1125.13
w Proton Swiss Franc Cash SF 5375.85
w Proton GBP Cash Fund £ 1009.72
w Proton Int. Bond Fd-US$ $ 6531.87
w Proton Intl Bond Fd-Ecu Ecu 8589.45
w Proton Intl Bond-GRD Grd 1002147.38
PROTON INTERNATIONAL B V I INC
w Proton N American Eq Fd $ 9100.98
w Proton European Eq Fd Ecu 11024.93
w Proton Asian Eq Fd $ 1424.66
w Proton US Small Cap Fd $ 1514.38
w Proton Japan Eq Fd $ 751.37
w Proton Emerging Eq Fd $ 1041.78
w Proton Global Fd $ 1128.86

The Communicator.
NOKIA 9000

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; Dkr - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finish Mark; FL - Dutch Florin; IDR - Indonesian Rupiah; Lit - Italian lira; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

a - asked; + - Offer Prices; N.A. - Not Available; N.C - Not Communicated; o - New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - Offer Price incl. 3% prelim. charge; - Paris exchange; ++ Amsterdam exchange; e - miscuoted earlier; x-not registered with regulatory authority P Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied, (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

The data in the list above is the net supplied by the fund groups to Micropal SA. It is collated and reformatted into the list before being transmitted to the IHT. Micropal and the IHT do not warrant the quality or accuracy of the list, the data of the performance of fees of the Fund Groups and will not be liable for the list, the data of Fund Group or any event. The list is not and shall not be deemed to be an offer by the IHT or Micropal to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

THE MONEY REPORT

Critical-Illness Insurance: Banking on a Lump Sum to Bridge a Crisis

By Ann Brocklehurst

Those who been the victims of serious illness know that it can damage not only their physical well-being but their financial health as well. If treatment and recovery takes an extended period of time, it is not only necessary to replace lost income to avoid digging into savings but also to find funds to pay for the many non-medical expenses often incurred due to illness.

To help protect themselves from the consequences of serious unexpected illnesses, many people without employee benefits are turning to so-called critical illness insurance. Although its name makes it sound like a health policy, critical-illness insurance is not designed to pay medical costs but rather to help individuals diagnosed with a life-threatening condition cope with the loss of income and the extra costs generated by their ill health.

Unlike disability insurance, which is relatively expensive and pays benefits in installments, critical-illness policies almost always provide claimants with a lump-sum payment 30 days after the diagnosis of certain specified life-threatening diseases such as cancer, stroke and heart attack.

"It appeals to the self-employed and single people who have no need for life coverage," said Martin Chapman, a marketing product manager at Norwich Union Life & Pensions Ltd. in Britain "It's a kind of selfish benefit."

Originated in South Africa, critical-illness insurance began being marketed in Britain and Australia in the late 1980s and has recently been introduced in Canada.

Related types of insurance are sold in the United States and Japan, and industry officials expect to see similar products introduced in other countries.

Critical-illness premiums and the extent of coverage vary from one policy to another and also depend on the age of the clients. In Britain, a 30-year old in good health will pay about £10 to £15 per month ($16 to $240) for £50,000 ($80,300) worth of coverage. In Canada, premiums range from less than 5.95 Canadian dollars ($4.25) per month for 18- to 34-year-old nonsmokers seeking 20,000 dollars of coverage ($14,350) to some 100 dollars per month for 55- to 64-year old nonsmokers buying 50,000 dollars of coverage. Some policies require minimal medical tests.

Although there used to be some major differences in the diseases covered when critical-illness injury was first introduced in Britain, Norwich Union's Mr. Chapman said that most policies now cover the same set of illnesses. Along with heart attack, cancer and stroke — which he estimates are paid for by 85 to 90 percent of the premium — other conditions such as multiple sclerosis, kidney failure and organ transplants are funded by 5 to 10 percent of the premiums. Increasing the number of conditions covered was not only good value for consumers but good business for the insurers, he explained.

According to Ronnie Martin, market manager for life and health at Britain's Royal & Sun Alliance, about 5 percent of the British working population has some form of critical-illness insurance. Of the 1.3 to 1.5 million policies he estimates to be in force, just over half are in connection with mortgages and the total number of policies arranged in 1996 rose 50 percent from 1995.

"The critical-illness market is over three times the size of disability," said Mr. Chapman. Although he sees disability insurance, which pays out regularly after a claimant is disabled, as a complementary product to critical-illness insurance, he said that most people would not have both. Furthermore, even though disability insurance costs more, "you can have a heart attack and be back to work before the end of the deferred period," he added.

Critical-illness insurance has also been designed to appeal to specific markets. Earlier this year CIGNA Life Insurance Company of Canada launched its "Women's Health & Hope Plan," the first coverage in North America of its kind that applies only to women.

It provides benefits on diagnosis of any one of six specific women's cancers as well as general cancers, heart attack, stroke or coronary-artery surgery.

Monica Wright-Roberts, a breast-cancer survivor who worked to encourage the introduction of such insurance products, now serves as CIGNA's spokeswoman. At the time she was diagnosed, she was self-employed and did not qualify for disability insurance. She found herself unable to work and having to pay for extra expenses such as taxis to the hospital, child care, vitamins and even a wig.

While critical-illness insurance has not yet caught on in the United States, a product known as cancer insurance has been available since the 1960s.

Unlike the typical lump-sum payout of critical-illness insurance, cancer-insurance payments are based on medical events such as surgery, the number of days of radiation and the number of days of chemotherapy.

For further information:

- AMERICAN HERITAGE LIFE INSURANCE CO. A/Cancer Insurance Division, telephone: 1 904 992-2574
- CIGNA CANADA's Women's Health and Hope Plan, telephone: 1 800 929-660h.
- NORWICH UNION LIFE & PENSIONS LTD., web site: www.norwich-union.co.uk/
- ROYAL & SUN ALLIANCE, web site: www.royal-and-sunalliance.com

The Stage Gets Crowded: New Entertainment Era Dooms 'Cozy Monopolies'

Joe Ravitch is executive director of the Communications, Media and Technology Group at Goldman Sachs International. He spoke with Conrad de Aenlle about prospects for the global entertainment industry.

Q. There are two ways, broadly speaking, to make money entertaining people: providing content or providing access to content. Which of the two seems to be more profitable these days?

A. The important thing to keep in mind is that both forms of business are facing new challenges and competition. As access to consumers has broadened with technological advances, distribution companies must make greater efforts to brand themselves, compete effectively and learn to manage their customers. Similarly, content companies are seeing costs rise as talent has begun pushing up prices and vertically integrated distributors are squeezing prices.

The fundamental paradigm shift in the entertainment and telecom industry is the forced transition from cozy monopoly to competition. This doesn't mean that values will go down, only that the differences between winners and losers will be much starker than in the past.

Q. Cable TV companies were on the wrong end of a U.S. Supreme Court ruling earlier this year, when the court said they had to keep offering free time to local content providers. How much of an impact do regulatory and court decisions have on share prices in the telephone and cable TV businesses?

A. Regulation is a significant driver of valuation. Government regulation in Europe, such as foreign ownership limitations or even restrictions on domestic ownership, can limit takeover activity and the consolidation that is often dictated by the natural economics of many of these businesses.

The regulatory climate internationally is changing very quickly as governments realize they need a modern communications infrastructure to attract foreign capital. As a result, you see important events such as the breakup of Nippon Telegraph & Telephone or the reduction in time of Singapore Telecom's monopoly.

Q. So Continental Europe is bringing up the rear on liberalization?

A. One of the great misconceptions is that the U.S. government is so laissez-faire while Europe is so restrictive towards media companies. Regulation of cable TV and local phone in the U.S. remains one of the most complex and burdensome regimes anywhere, whereas the EU is really breaking new ground in forcing competition and liberalization across a broad front. Investors should avoid generalizations and focus on the types of businesses and the individual countries in which they operate.

Q. What impact is the Internet having on the entertainment industry?

A. If you talk to the CEOs of most businesses today, they say it's not impacting business much at all. No one's listening to digital radio. They're not sucking down digital music from web sites. I'm a bit of a skeptic on all of this. It's all been overhyped way too much.

Q. American film and television companies are perturbed by shrinking audiences. Meanwhile, some of the hottest stocks in Britain are owners of bookshops. Are those heralding the dawn of a brave new world in entertainment being a little hasty?

A. I don't think that is quite fair. What is happening quite clearly is a significant expansion of competitive choices for a consumer's discretionary income. In Europe alone, there are now 50 million multi-channel homes, from zero 10 years ago. Multiplex cinemas are being built at a dizzying rate in Europe and Asia, creating thousands of new screens. You are also seeing the internationalization of a variety of forms of location-based entertainment from Universal Studios theme parks to Hard Rock Cafes. Traditional media is bound to suffer loss of market share in a period of such dizzying growth. This industry is becoming increasingly competitive and the winners will be those that can create the product people want, control their costs, establish the best brands and maintain customer loyalty. You will still see dominant players emerging or maintaining their positions because they run their business well, but not like the old days when businesses had monopoly licenses and a free ride.

Q. Culture doesn't cross borders very easily. Except for Walt Disney, the great franchise holder of American popular culture, are there any truly global entertainment providers?

A. The clear trend is that the only product that travels across borders is American films. This translates into two important practical lessons. Local programming in each market is incredibly important and valuable, but because it doesn't travel, producers must figure out how to control their costs and create an economical consumer base, easier in France than in Hungary just because of market size. Conversely it creates an opportunity, should they choose to exploit it, for the Hollywood majors to create international brands and build equity value around the world.

Traditionally, they have been pure wholesalers of their product libraries and only now are you beginning to see a real shift in the way they are moving into channels, brands and other value-enhancing businesses. Murdoch and News Corp. is probably the best example, but you are also seeing Universal and MGM starting to really capitalize on their film and television libraries.

Q. Developed nations have been trying through international trade bodies to compel emerging countries to protect intellectual property. Is a resolution in prospect and what impact would it have on entertainment stocks?

A. This is a major issue for a wide variety of companies. Piracy of music and video remains a huge problem for content companies and the digitalization of content and the growth of the Internet will only make the problem worse. As the principal source of creative content, the U.S. has become a relatively lonely champion of intellectual property protection, and it often must rely on an increasingly limited regime of national or international enforcement.

Q. This is supposed to be a recession-proof industry; when the economy sags, people still want to have a good time. Are these good defensive stocks to own?

A. While it is true that even in a recession people will still use the phone and spend money on entertainment, a downturn in the advertising market combined with shrinking discretionary income can have a big impact on the profitability of certain types of entertainment businesses. More important, this sector will continue to have big volatility as a result of technology shifts and changes in regulation, regardless of the economic climate.

Q. Do you expect many acquisitions among content providers and distributors?

A. The convergence between content and distribution is a constant theme of this business, as each seeks to protect its position in a more competitive environment. You can clearly see one variant in News Corp.'s worldwide distribution business, which thrives on such vertical integration, and another in the way that Disney or Viacom is attempting to sell universally appealing content.

The distribution business is generally more conducive to takeovers between rival distributors because of the natural economies of scale, while the local or national nature of so much creative content makes it much less so. If you're a Hollywood studio, there's not much inherent value in acquiring a local piece of product. The exception is the music business. The economies of scale are greater and you can distribute more cheaply.

Q. Which markets will see the greatest growth and opportunity for entertainment companies around the world?

A. Europe has seen incredible expansion of the private entertainment sector over the last 10 years and it is still moving up the growth curve significantly, but I think Asia represents the real area of growth for the next 10 years just because of its incredible productivity, size and demographics.

It will leapfrog the U.S. and Europe in technology. The use of fiber in the communications networks and the provision of broadband services will begin in Asia before it will be working in the U.S. In terms of media, in many ways Asia is where Europe was 10 years ago. Of course, the political situation can be more volatile and opportunities must be reviewed carefully, but the opportunity is enormous.

FILM: *Investors Face a Challenge in the Search for Movie Stocks*

Continued from Page 15

improved revenue growth throughout the group's units and apparent plans for the corporation to acquire further businesses could lift the share price to $58 by the end of the year and $66 by the end of 1998. It currently is near $52.

Mr. Bilotti was also heartened that Time Warner has dropped plans to buy the 25.5 percent stake that U S West Media Group held in Time Warner Entertainment Co. This unit owns the Warner Brothers studio, the HBO cable-television channels and Time-Warner Cable. The continuation of the U S West Media holding gives investors an alternative way of buying into Time Warner. If the shelved buyout goes ahead later, the shareholders of U S West Media may be in a position to profit. But buying U S West Media also means owning that company's cable-television systems and telecommunications properties outside the 14 states that are home to U S West Communications Group, the Baby Bell.

Sony has fared well, apparently having overcome some of the problems it suffered following the $4.8 billion purchase of Columbia and Tristar pictures in 1989.

While Sony remains on a roll with its shares more than 20 percent higher than when the Money Report looked at the company in April, some of the steepest growth has come from Sony Computer Entertainment, its computer-game unit that makes the Sony Playstation, a market leader. Since it was founded in 1994, the company has registered a phenomenal ninefold increase in revenue, which totaled 335 billion yen ($2.85 billion) in its 1996 financial year, while its bottom line advanced from a loss of 2 billion yen to a profit of 16.5 billion yen during the same period.

Sony Computer gets most of the credit for cracking a market long dominated by Nintendo Co. through its introduction of a competitive distribution system and its decision not to restrict software that other companies could write for its machines. Nintendo, on the other hand, only allowed what it considered to be quality software to reach the market. Kazuya Yamamoto, an analyst at Daiwa Institute of Research, said Sony's more open approach brought on board such software kings as Square Co. and Enix Corp.

An investor attracted by Sony Computer's prospects faces the following two choices: to buy Sony Corp. or Sony Music Entertainment Inc., each of which holds a 50 percent stake in the unlisted computer game maker.

Naoko Ito, computer software analyst at Goldman, Sachs Japan Ltd., said that Sony Music with its powerful computer game subsidiary is worth 6,000 yen, although it trades now at only 5,000. While Sony Music, which earned only 6.82 billion yen last year, relies heavily on Sony Computer for profits, that division's profitability has a much smaller impact on the parent, Sony Corp., which recorded a profit of 397.07 billion yen.

Hitoshi Kurimaya, an analyst of the electronics industry at Goldman, Sachs, asserted that Sony Corp. itself is an attractive entertainment play because many of its divisions, and particularly those in audiovisual field, continue to record robust growth.

Sony has also recently scored well at the box office with films such as "My Friend's Wedding" and "Jerry Maguire." The science fiction comedy "Men in Black" looks set to continue the trend and has earned $200 million so far for Tristar Columbia Pictures.

As with Sony, Seagram draws the bulk of its revenue from its basic business, in this case beverages. Its media interests are centered on television production, movies and theme parks. According to Morgan Stanley's Mr. Bilotti, its theme parks are its strongest cash earners. Following the introduction of two rides at its California Universal Studios park — Terminator II 3-D and Jurassic Park — attendance has grown 23 percent.

Seagram's entertainment divisions had a good year in the 12 months ended June 30, but it was the music and theme park units that accounted for the rise. The overall sector had earnings before interest, taxes, depreciation and amortization of $603 million, up from $550 million a year before, but the film sector's cash flow edged down to $373 million from $379 million.

The success of Seagram's parks is part of an increasingly competitive market faced by another moviemaker, Walt Disney Co. Gary Farber, an media and entertainment analyst with NatWest Securities in New York, recommended that Disney investors should maintain their current holdings.

"We view the company as a core holding in the media and entertainment group — a comparatively unleveraged media powerhouse backed by the most recognizable brands that we believe will deliver a consistent level of earnings growth over the long term," he said.

But he warned that several factors still risked undermining Disney's self-imposed 20 percent earnings growth target over the next five years. Ironically, one possible weakness is last year's $19 billion buyout of Capital Cities/ABC Inc. While ABC gives Disney the immediate advantages of a distribution network reaching 90 million homes, it is now more exposed to the ups and downs of cyclical advertising revenues.

In the longer term, Disney will also face stronger competition from rival theme park operators and animated film producers, said Mr. Farber.

So far, however, investors are happy enough with Disney's global presence and the merchandising benefits its strong brand image provides. Its share price is currently trading at about $78.

Viacom's current performance is less stable. Good returns from its investment in MTV Networks have been offset by continued problems at Blockbuster Video, a music-and-video retailer. The company gets about a third of its annual sales from the video, music and theme park business, including the Paramount movie studio.

Jessica Reif Cohen, a media analyst with Merrill Lynch & Co., said that although investors may have now fully discounted Blockbuster's negative impact, it is too early to say when the video store chain will begin to strengthen.

"Although we perceive minimal downside from the current share price, a lack of catalysts and momentum keeps us hesitant to upgrade our intermediate-term neutral rating," she said in a recent report on Viacom.

The 1994 acquisitions of Paramount and Blockbuster, which cost $17.5 billion, require large annual writedowns of goodwill, an accounting expense that reduces the company's reported earnings per share, and this makes it difficult to value Viacom on the traditional basis of its price-to-earnings ratio.

Since early July Viacom's share price has fallen from a year high of just under $37 to about $30.

Investors in Australia's News Corp. were reminded of how fickle the media and entertainment business can be this week.

Poor results, caused largely by disappointing receipts at Twentieth Century Fox Film Corp. from the movies "Speed II" and "Volcano," confounded Rupert Murdoch's 20 percent profit forecast for this year by delivering only 2.5 percent.

Its share price fell back slightly when the news was announced but recovered later and closed Friday at 5.81 Australian dollars ($4.33), still ahead of its low for the year of 5.67 dollars that was recorded in May.

Analysts credited the strong stock performance to a timely decision by News Corp. to repurchase 1.3 billion Australian dollars of its preferred shares, pulling a large chunk of its capital out of circulation.

Still, after mixed results at its many operating divisions, analysts said that they would be watching the results of four upcoming movies to gauge the company's prospects. If you want to do your stock picking in front of the silver screen, go see "Titanic," "Alien 4: The Resurrection," "Home Alone 3" and the animated "Anastasia."

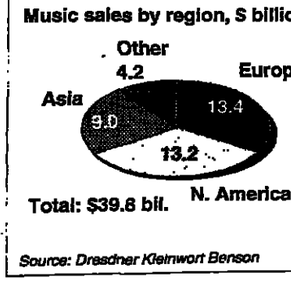
The Music Majors

World sales in billions of dollars, 1996

	Sales	1995 market share
Polygram Music	$4.6	16.1%
Sony Music*	4.9	14.7
BMG*	4.8	12.8
MCA Music*	1.3	5.8
EMI Music*	4.1	13.7
Warner Music	3.9	15.1
Others*	7.2	21.8

*1995

Music sales by region, $ billions.



Total: $39.6 bil.

Source: Dresdner Kleinwort Benson IHT

BRIEFCASE

The Trusty IRA Has 4 New Faces

As Americans get serious about saving for retirement, Washington may give the IRA a major boost. The Taxpayer Relief Act of 1997 has created a new IRA program that gives most Americans more access to their accounts by not only helping them accumulate a retirement nest egg, but letting them save for college or buy a first home, all in a tax-sheltered environment. Like most tax changes, however, the rules are complicated and financial advisers caution against making investment decisions until all options are reviewed.

"It is indeed very confusing," said Thomas Ochsenschlager, a partner at the accounting firm Grant Thornton in Washington. "There are so many choices."

But advisers are still cheering the changes and financial institutions are gearing up for a resurgence in IRA activity.

"This is the most exciting news in retirement planning, probably in the last 12 years," said John Coscia, IRA marketing director at Merrill Lynch & Co., which has about 2 million accounts with $116 billion in assets.

The new rules, which take effect Jan. 1, essentially create four types of accounts: The first is an expanded version of the existing deductible IRA. The second, known as the Roth IRA, is a nondeductible savings account in which all earnings escape income tax. The third is the current nondeductible IRA that has been around for years. The fourth is an Educational IRA.

Those with existing IRAs have the option of converting them to a new type of account. Choosing the best one will depend on a person's income and tax bracket as well as the law's income eligibility ceilings.

To qualify for an annual deduction of up to $2,000, single income-tax filers cannot make any more than $30,000 a year — a $5,000 increase from the current level — if they are participating in a pension plan or other qualified retirement plan like a 401(k). The threshold rises to $50,000 by the year 2005. The level for joint filers rises to $50,000 from $40,000 and to $80,000 by the year 2007.

The Roth IRA, named after Senator William Roth, Republican of Delaware and the Finance Committee chairman who came up with the idea, offers a different approach. Taxpayers get no deduction for deposits, but the earnings are not taxed when withdrawn, provided that the account is kept for at least five years and that the holder is at least 59.5 years old or the money is used for a first-time home purchase after five years.

Roth income limits are more liberal. Individuals earning under $95,000 annually and couples earning less than $150,000 annually can contribute up to $2,000 apiece each year. Contributions phase out as income rises.

Those who cannot take advantage of either the Roth or deductible IRA because their incomes are too high can still contribute up to $2,000 a year in the nondeductible IRA. The contributions are tax deferred until withdrawn.

Contributors to the Roth as well as the deductible and nondeductible IRAs escape a 10 percent early withdrawal penalty if the money is used to pay qualified education expenses or for first-time home purchases.

Roth contributors get the added benefit of not having to pay tax on homebuying withdrawals limited to $10,000, provided the account is maintained for five years.

The Educational IRA also has restrictions, although many families will be able to take advantage of it. Single filers earning up to $95,000 annually and couples up to $150,000 can invest up to $500 in an account in a child's name that could later be withdrawn tax-free for expenses related to college education.

(AP)

Bank of Boston Targets Argentina

Bank of Boston Corp. plans to open three investment centers in Argentina as part of a campaign to maintain its lead in the country's mutual fund industry where assets have already tripled this year.

The centers, the first of their kind in Argentina, will offer advice to small savers. Boston Asset Management is the Argentine market leader with more than $1.1 billion under management in its 12 funds. *(Bloomberg)*

Jordan King Opens Door to Investors

Jordan's King Hussein has issued a decree endorsing the abolition of a 50 percent ceiling on foreign ownership of Jordanian equities in four major sectors — banking, insurance, transport and telecommunications.

Financial analysts see the long-awaited step as crucial to the prospects of foreign investment in the country. *(Bridge News)*

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WORLD ROUNDUP

9.90 for Fredericks

ATHLETICS Frankie Fredericks of Namibia won the 100 meters in 9.90 seconds at the Van Damme Memorial Friday, beating world champion Maurice Greene and staying on course for at least part of 20 kilograms in gold at stake in the Golden Four competition.

Gabriela Szabo of Romania, the 5,000-meter world champion, also won her third "golden" race and will get part of the $500,000 prize if she wins again on Tuesday in Berlin, the last of the Golden Four meets.

Fredericks held off Greene in a tight finish by just .02 seconds, while another U.S. runner, Tim Montgomery, took third in 9.94.

Szabo, the 5,000 world champion, finished in 14 minutes 44.21 seconds, beating Paula Radcliffe at 14:45.51, and Sally Barsosio. Each athlete who wins his or her event in Oslo, Zurich, Brussels and Berlin gets part of the 20 kilograms of gold at stake.

Haile Gebrselassie of Ethiopia, who is out of contention for the gold, finished the 3,000-meter event in a season-best 7 minutes 26.02 seconds *(AP)*

Berger Sets the Pace

FORMULA ONE Gerhard Berger of Austria clocked the fastest time during a rain-affected opening practice Friday for Sunday's Belgian Grand Prix in Spa-Francorchamps with a time of two minutes and 6.802 seconds. *(Reuters)*

England Wins Test

CRICKET Phil Tufnell shook Australia when he snapped up 7 for 64 in the sixth and final test Friday at The Oval in London. He caused Australia's last seven wickets to tumble for 80 on the second day. They were all out for 218 in reply to England's first innings of 180. *(Reuters)*

FIFA Steps Into Fray

SOCCER FIFA, soccer's world governing body, will question German officials next week about a decision to order a first-division match to be replayed because of a refereeing error. The last time the German soccer federation made a similar decision, FIFA threatened to ban it from the World Cup for disregarding the principle that a referee's decisions are irrevocable. *(Reuters)*

Jose Manuel Ribeiro/Reuters

Emiliano Brembilla of Italy celebrating victory in the 400-meter freestyle final in Seville on Friday.

Russia Relay Team Sets Record

Italy's Brembilla Is Third Fastest Ever in 400 Freestyle

Reuters

SEVILLE — Russia's 4x100-meter freestyle relay team of Alexander Popov, Roman Egorov, Denis Pimenkov and Vladimir Pyshnenko set a European record Friday when they clocked three minutes 16.85 seconds at the European Swimming Championships.

Popov led them off in 49.02 seconds, 0.07 quicker than the 49.09 with which he won the individual title Thursday, and Egorov, Pimenkov and Pyshnenko finished the job in 3:16.85.

Egorov, Popov, Vladimir Predkin and Pyshnenko set the previous mark of 3:17.06 at the Atlanta Olympics in July.

Emiliano Brembilla of Italy outraced his rivals to win the men's 400-meter freestyle.

Brembilla destroyed Paul Palmer's hopes of a third gold here when he overtook the pace-setting Briton in the second 100 and stretched away to win by more than two seconds over fellow Italian Massimiliano Rosolino, with Palmer finishing third.

Brembilla clocked three minutes 45.96 seconds, making him the third-fastest swimmer ever in the event.

Rosolino, the silver medalist behind Palmer in Tuesday's 200-meter freestyle, took another silver in 3:48.11, and Palmer the bronze in 3:50.03. Palmer's other gold medal had come in the 4x200 freestyle relay.

"It was a wonderful race," Brembilla said. "I did not expect to do it so well. It was better than I hoped."

Drizzle fell during the finals, after the hot sunshine of the preceding nine days of the 12-day meet.

Mette Jacobsen of Denmark retained her 100-meter butterfly title in a great duel with Martina Moravcova of Slovakia, the fastest qualifier from the morning's heats.

Jacobsen, fourth at the turn, swept through on the second length and touched in 59.64 seconds to edge out Moravcova, whose 59.74 was slower than her 59.67 morning heat. Johanna Sjoberg of Sweden took the bronze in 1:00.07.

Alexander Goukov of Belarus, in fourth place at the halfway mark behind Russian pace-setter Andrei Korneyev, came through strongly on the last lap to add the men's 200 breaststroke gold to the 100 he won Tuesday.

Goukov won in 2:13.90, touching a half-second ahead of Korneyev.

Agnes Kovacs of Hungary, who broke her own European record in winning the women's 200 breast stroke Wednesday, added the 100 to her collection of gold medals in 1:08.08.

Svitlana Bondarenko of Ukraine took the silver in 1:08.87. Brigitte Becue finished third in 1:09.42.

•

Ireland's triple Olympic champion, Michelle de Bruin, has pulled out of Saturday's 200-meter individual medley at the European swimming championships because she is tired, Irish team sources said Friday.

De Bruin, 27, who won two golds and a silver in a punishing schedule on the first three days of the swimming program, still plans to defend her 200-meter butterfly title Sunday, the sources said. She wants the extra day's rest to prepare for it.

U.S. Tennis Center Gets Thumbs-Up on Face-Lift

With Open on Horizon, Players Seem Pleased

By Robin Finn
New York Times Service

NEW YORK — Harry Marmion, president of the United States Tennis Federation, ventured out to Queens on a recent afternoon to scout for some player reactions to the revamped $254 million USTA National Tennis Center, which will open for business with next week's United States Open.

Pete Sampras, the Open's defending champion, gave Marmion a thumbs-up as he prepared for his title defense. Jim Courier took a break from shagging practice balls to compliment Marmion on the outcome of the United States Tennis Association's extensive and controversial renovation and rebuilding of a site that had been the reviled ugly duckling of the four Grand Slam events.

Since the tournament relocated to Flushing Meadows-Corona Park in Queens in 1978, it had not held its own with Wimbledon and the French and Australian Opens, and not just because the former World's Fair site had once been a dump. When players were asked to name their least favorite Grand Slam event, most of them, including Americans like Courier, mentioned the crowded United States Open.

That is why Marmion, a Queens-born Long Island resident, was floored when Courier, a workhorse who is rarely free with his compliments, smiled at him.

"Fantastic," Courier said as he cast an appreciative glance around the state-of-the-art 23,000-seat Arthur Ashe Stadium where, in just over two weeks, the 1997 men's and women's Open champions will be anointed.

Marmion is hoping that the Open's paying customers, many of whom are irate over ticket price hikes and seating redistribution, agree with Courier.

"We were the last of the Slams to rebuild, but I think we've come up with something far beyond your standard tennis stadium," Marmion said of the USTA's efforts to bring the Open into the 21st century.

The USTA, whose United States Open cause was championed by former Mayor David Dinkins, has still not won over Mayor Rudolph Giuliani. But Marmion seemed confident that the unveiling of this fan-friendly facility could be the first step in convincing the public that the USTA is looking to unite tennis with the masses.

Besides giving this complex, which is open for public use 300 days a year, its $254 million face-lift, Marmion pledged that the USTA would dedicate more of its $135 million yearly operating budget to the expansion of tennis at the grass-roots level.

"We're trying to shed the elitist image," said Marmion, whose first gesture in that direction was renaming the President's Box the USTA Box at Arthur Ashe Stadium. "I want to democratize this organization, and I want to see it get tennis out of the country clubs and into the parks, shed for once and for all the image of tennis as a country-club-only sport."

Naming the new stadium for Arthur Ashe, the athlete and humanist who won the 1968 Open and until his death in 1993 campaigned to make tennis as accessible to inner-city youth as it is to the children of suburbia, was another step, but it took a revote by the board to make it official.

"I think we might have been a little selfish in our first thinking, that because we put all the money in, we should name it for the USTA.," said Marmion, who noted that a significant portion of the association's $14 million yearly debt service on the facility will be covered by the $9 million in revenues it expects to earn from the sale of the stadium's 90 luxury suites.

In another Open business decision, Marmion and Julia Levering, his first vice president, said they favored a hands-off policy by the USTA regarding the seedings for the Open.

Last year's president, Les Snyder, raised a ruckus by ignoring computer rankings and seeding the Open on a selective basis, which motivated the 1996 French Open champion, Yevgeni Kafelnikov, to boycott the event.

This year, Kafelnikov, who is ranked third, is seeded that way. In its seedings made public Tuesday, all 16 spots on the men's and women's sides of the draw were in accordance with the computer rankings.

■ Will the Mayor Show Up?

Clifford Krauss of The New York Times reported:

Officials of the the U.S. Tennis Association say they are uncertain whether Mayor Giuliani will inaugurate the Arthur Ashe Stadium on Monday night.

Colleen Roche, Giuliani's press secretary, said that the mayor's Monday night schedule was very busy and that his aides were trying to iron it out.

But tennis officials expressed concern that the mayor's lack of response was linked to a political battle that goes back to the 1993 mayoral race between New York's No. 1 Yankee fan and New York's No. 1 tennis aficionado, David Dinkins.

It was Mayor Dinkins who negotiated the deal with the USTA that made the new 23,000-seat stadium possible and that will keep the tournament in Flushing Meadows, Queens, for at least 25 more years.

Under the contract, the association was given 21 acres of parkland, doubling the size of the National Tennis Center, and the expansion and new stadium were paid for by the tennis association with financing through tax-exempt Industrial Development Agency bonds.

But Giuliani took issue with a provision that the city would be obliged to pay fines of up to $325,000 if aircraft from La Guardia Airport flew over during Open matches.

After winning the election, Giuliani publicly urged Dinkins to allow him to review the deal, but the outgoing mayor shrugged off the protest and signed a contract with the tennis association.

A senior tennis official said that the association had hoped to present the mayor and former mayor together at the stadium, but that Giuliani's aides had objected months ago.

Johansson Takes the Lead

Compiled by Our Staff From Dispatches

DUBLIN — Defending champion Per-Ulrik Johansson tied the day-old course record 64 set by Colin Montgomerie to snatch a one-shot lead from the Scot in the second round of the European Open on Friday.

The 30-year-old Swede said he could not remember ever hitting as many shots that were perfect in a round he described as "almost better than sex."

Johansson must have made a powerful impression on his playing partner, the European Ryder Cup captain, Seve Ballesteros, as he consolidated his place on the team to face the Americans at Valderrama next month.

Earlier, Montgomerie added a second round 69 to his opening 64, which had broken the previous course record by one stroke and which unheralded Fredrik Jacobson of Sweden had also matched on Friday morning.

Johansson, who made his Ryder Cup debut in 1995, finished on 132, 12 under par. Montgomerie was on 133 with Costantino Rocca of Italy also consolidating his team place with a 68, even with Daniel Chopra of Sweden and Per Haugsrud of Norway at 135.

The halfway cut fell at 2-over par and Jose Maria Olazabal of Spain just made it into the weekend in his bid to qualify automatically for the Cup team. He is currently one spot away from doing so, with this event and next week's BMW International Open in Munich bringing the qualifying to a close.

Olazabal struggled to a one-over 73 on Friday. The European money leader, Ian Woosnam, also scraped by with a second successive 71.

But Bernhard Langer of Germany, already assured of a place, Thomas Bjorn of Denmark, fighting to stay in a qualifying position, and Sam Torrance of Scotland, battling to secure a ninth successive appearance, all failed to make the cut.

So, too, did Ballesteros, who needed an eagle three at the last to stay alive. He went for the green with his second shot but just caught the water on the left and finished with a double-bogey seven to miss his 12th cut in 14 events this year. Torrance, a Briton who shot 78-75 for a 9-over 153, has played in the last eight Ryder Cups but is 16th in the standings. He has only next week left to earn a team spot.

In the opening round of the NEC World Series of Golf in Akron, Ohio, Tiger Woods and the defending champion Phil Mickelson shot 67s to share the lead.

Not only did Woods have a sore ankle, was tired and run down and made bogey on the last hole at Firestone Country Club, but he also had to contend with a wet course and strong crosswinds that played havoc with the shots in the winners-only tournament. Only 14 of the 46 players broke par.

In the Greater Vancouver Open, in Surrey, British Columbia, Tom Byrum who set the course record in last year's final round, lowered it to 8-under-par 63 Thursday to take a one-stroke lead over Payne Stewart and Len Mattiace in the opening round.

In the U.S. Amateur championship in Lemont, Illinois, Joel Kribel of Pleasanton, California, survived an extra-hole match in the morning, then crushed his opponent Thursday afternoon to advance to the quarterfinals. Kribel parred the first playoff hole in his second-round match against Ian Kennedy of Baton Rouge, Louisiana, to win. *(Reuters, AP)*

Russell Boyce/Reuters

Colin Montgomerie lining up a putt at the European Open on Friday. He is in second place after two rounds.

Ivanisevic Wins; Novotna Is Out

Compiled by Our Staff From Dispatches

COMMACK, New York — Goran Ivanisevic of Croatia, ranked No. 4 in the world, struggled to a 5-7, 6-2, 7-6 (7-4) victory over the No. 95 player, Nicolas Lapentti, a qualifier from Ecuador, to gain the quarterfinals of the Hamlet Cup.

Michael Chang, No. 2 in the world, took only 49 minutes to boost his record for the year to 49-12 with a 6-0, 6-2 victory Thursday over Todd Woodbridge, a member of the Australian Davis Cup team who had upset Chang in the opening round of this year's Wimbledon.

Chang, who, like Sampras, has five tour victories this year, is 12-3 against Woodbridge, who is No. 1 in the world in doubles with his countryman, Mark Woodforde.

"It was nice to have an easy match," said Chang, who earned his only Grand Slam title in the 1989 French Open at the age of 17.

In women's tennis, the top two seeds are out of the U.S. Women's Hardcourt Championships in Stone Mountain, Georgia.

The No. 1 seed, Jana Novotna, lost to the No. 5 seed, Amanda Coetzer, 1-6, 6-3, 6-1, Thursday night, and the second-seeded player, Monica Seles, withdrew from the event because of a high fever and sore a throat.

The winner of the last two tour events in Los Angeles and Toronto, Seles said she hopes to recuperate by next week to be ready for the U.S. Open.

Seles, who defeated Naoko Sawamatsu of Japan on Wednesday night, was unable to play Thursday against Sandrine Testud of France, who now will face the third-seeded player, Iva Majoli, in Friday's semifinals. Majoli, of Croatia, outlasted Brenda Schultz-McCarthy of the Netherlands, 6-2, 7-5, in the quarterfinals.

Coetzer plays the No. 4 seed, Lindsay Davenport, who beat Dominique Van Roost of Belgium, 6-1, 7-5, Thursday.

• Heavy rains forced the postponement of all four second-round matches scheduled Thursday at the inaugural $303,000 Pro Championships. The matches were rescheduled for Friday. *(AP, Reuters)*

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	80	44	.645	—
New York	76	50	.603	5
Boston	64	64	.500	18
Toronto	60	66	.476	21
Detroit	59	67	.468	22
CENTRAL DIVISION				
Cleveland	65	59	.524	—
Chicago	63	64	.496	3½
Milwaukee	62	64	.492	4
Kansas City	52	72	.419	13
Minnesota	52	73	.416	13½
WEST DIVISION				
Seattle	71	56	.559	—
Anaheim	69	59	.539	2½
Texas	60	67	.472	11
Oakland	51	77	.398	20½

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	78	49	.614	—
Florida	73	52	.584	4
New York	68	58	.540	9
Montreal	62	63	.496	15
Philadelphia	45	77	.369	30½
CENTRAL DIVISION				
Houston	67	60	.528	—
Pittsburgh	63	64	.496	4
St. Louis	58	68	.460	8½
Cincinnati	55	69	.443	10½
Chicago	50	77	.394	17
WEST DIVISION				
San Francisco	71	56	.559	—
Los Angeles	69	58	.543	2
Colorado	61	66	.480	10
San Diego	61	66	.480	10

THURSDAY'S LINESCORES

AMERICAN LEAGUE

Toronto 000 010 002—3 9 0
Chicago 220 000 02x—6 8 0
Hentgen, Plesac (8) and O'Brien; Drabek, T. Castillo (6), Foulke (7), Karchner (9) and Fabregas. W—Drabek, 10-8. L—Hentgen, 13-8. Sv—Karchner (8). HR—Chicago, F. Thomas (29).

Boston 100 101 300—6 10 1
Oakland 156 001 00x—13 17 0
Avery, Lacy (3), Brandenburg (6) and Haselman; Lorraine, Johnstone (7), Mohler (9) and Ga.Williams. W—Lorraine, 2-0. L—Avery, 6-4. HRs—Boston, M. Vaughn (27). Oakland, J. McDonald (4), Bellhorn (5), Canseco (23), Giambi (16), Spiezio (10), En.Young (4).

Baltimore 201 000 010—4 9 0
Kansas City 000 001 110—3 7 0
Krivda, Mills (6), Orosco (7), A. Benitez (8), Te.Mathews (8), Ra.Myers (9) and Holles; Appier, Casian (8), Carrasco (9) and Macfarlane. W—Krivda 2-0. L—Appier 7-11. Sv—Ra.Myers (28).

Detroit 001 000 000 001—2 9 0
Milwaukee 001 000 000 000—1 5 0
(12 innings); Ju.Thompson, Brocail (8), M. Myers (8), Mlicell (9), To.Jones (12) and Casanova, Walbeck (11); Eldred, Davis (7), Fetters (7), Do.Jones (10), Wickman (12) and Lewis. W—Micell 3-2. L—Wickman 6-6. Sv—To.Jones (24).

Cleveland 000 020 202—6 12 1
Seattle 010 130 02x—7 8 0
Colon, Plunk (5), Jacome (6), M. Jackson (7), Assenmacher (8) and Borders; Moyer, B. Wells (6), Spoljaric (7), Timlin (7), Slocumb (9) and Da.Wilson. W—Moyer 13-4. L—Colon 2-6. Sv—Slocumb (21). HRs—Cleveland, Thome (34). Seattle, A. Rodriguez (19).

New York 101 000 000 011—4 10 0
Anaheim 100 000 001 010—3 12 1
(12 innings)
Pettitte, M. Rivera (9), Stanton (10), Nelson (12) and Girardi; D.Springer, Holtz (9), Percival (9), Da.May (11), P. Harris (12) and Kreuter. Turner (10). W—Stanton 6-0. L—P. Harris 2-3. Sv—Nelson (2). HRs—New York, Be.Williams (16), T. Martinez (40).

NATIONAL LEAGUE

St. Louis 000 100 001—2 2 0
Montreal 000 021 00x—3 9 3
Osborne, Petkovsek (8) and Difelice; Mi.Johnson, Telford (7), Urbina (9) and Widger. W—Mi.Johnson, 1-1. L—Osborne, 2-6. Sv—Urbina (20).

Los Angeles 000 000 100—1 5 0
New York 000 102 00x—3 6 0
Candiotti, Guthrie (7), Dreifort (8) and Piazza; Crawford, McMichael (7), Jo.Franco (9) and Pratt. W—Crawford 2-1. L—Candiotti 9-5. Sv—Jo.Franco (31). HRs—Los Angeles, Piazza (28). New York, Baerga (8).

Second Game

Los Angeles 202 000 000—4 7 1
New York 010 200 00x—3 7 2
Park, Radinsky (7), Hall (8); Te.Worrell (9) and Prince; R.Reed, Wendell (7), Rojas (9) and Hundley. W—Park 13-6. L—R. Reed 10-7. Sv—Te.Worrell (31).

San Diego 200 410 110—9 13 0
Pittsburgh 201 100 000—4 6 1
Hitchcock, Bergman (6), Te.Worrell (8), Hoffman (9) and C.Hernandez, F.Cordova; Ruebel (4), Wallace (6), Sodowsky (7), Christiansen (9) and Kendall. W—Hitchcock 9-7. L—F. Cordova 9-7. HRs—San Diego, S. Finley (22). Cam.Piniti (17), G. Vaughn (14); Pittsburgh, M. Smith (5).

Colorado 000 210 100—4 8 0
Houston 240 201 00x—10 15 1
R.Bailey, Holmes (7), Leskanic (4), S. Reed (7) and Manwaring; Holt, T. Martin (7), Hudek (7), B. Wagner (9) and Ausmus. W—Hoh 8-9. L—R. Bailey 9-9. HRs—Colorado, Burks (24); Houston, Biggio (18), Bagwell (34).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	59	42	2	.583	—
Yokohama	55	43	0	.561	2½
Hiroshima	53	47	0	.530	5½
Chunichi	48	50	1	.462	12½
Hanshin	44	57	1	.436	15
Yomiuri	44	58	0	.431	15½

PACIFIC LEAGUE

	W	L	T	Pct	GB
Orix	53	40	3	.568	—
Seibu	55	44	2	.554	1
Nippon Ham	51	51	1	.500	6
Daiei	49	53	0	.480	8
Kintetsu	46	55	2	.456	11
Lotte	42	53	2	.443	12

FRIDAY'S RESULTS

CENTRAL LEAGUE

Hiroshima 6, Yakult 4
Yokohama 5, Yomiuri 4
Chunichi 10, Hanshin 5

PACIFIC LEAGUE

Nippon Ham 6, Orix 5
Lotte 2, Kintetsu 1
Seibu 9, Daiei 7

SOCCER

FRENCH FIRST DIVISION

Cannes 0, Bordeaux 2
Strasbourg 1, Nantes 2

STANDINGS: Paris SI Germain 9 points; Metz 9; Marseille 7; Bastia 7; Toulouse 7; Bordeaux 7, Strasbourg 5; Le Havre 4; Monaco 4; Lens 4; Guingamp 4; Lyon 3; Nantes 3, Auxerre 2; Montpellier 2, Chateauroux 1; Rennes 1; Cannes 0.

DUTCH FIRST DIVISION

MVV Maastricht 0, Feyenoord 3

FOOTBALL

NFL PRESEASON

THURSDAY'S GAMES

New England 28, Philadelphia 14
Miami 28, Washington 7
Indianapolis 16, Detroit 3

CRICKET

ENGLAND VS. AUSTRALIA
SIXTH TEST, SECOND DAY
FRIDAY, IN LONDON, ENGLAND

England: 180 and 52 for 3
Australia: 218

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

CHICAGO—Optioned RHP Carlos Castillo to Nashville, AA. Recalled INF Craig Norton from Nashville.

SEATTLE—Optioned RHP Felipe Lira and INF Brent Gates to Tacoma, PCL. Activated OF Rob Ducey from 15-day disabled list. Put OF Lee Tinsley on 15-day disabled list. Recalled SS Andy Sheets from Tacoma.

NATIONAL LEAGUE

COLORADO—Waived RHP Bill Swift.

NEW YORK—Recalled LHP Yorkis Perez from Norfolk, IL. Optioned infielder Shawn Gilbert to Norfolk.

MONTREAL—Put RHP Dave Veres on 15-day disabled list. Bought contract of PHP Shayne Bennett from Ottawa, IL.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

DENVER—Signed CB Tim McKyer. Waived LB Godfrey Myles.

DETROIT—Waived DT Kevin Sheahan. Re-signed QB Chris Dilfoe.

GREEN BAY—Claimed CB Joe Rowe off waivers from St. Louis. Waived LB Reggie Clark.

JACKSONVILLE—Waived CB Curtis Anderson. Claimed QB Steve Matthews off waivers from Kansas City.

MIAMI—Claimed S Bracey Walker off waivers from Cincinnati. Signed LB Eddie Sutter. Waived WR Jasper Strong.

NEW YORK GIANTS—Re-signed DT Ray Agnew. Waived DE Jamal Duff.

NEW YORK JETS—Claimed WR Ray Lucas off waivers from the New England.

ST. LOUIS—Waived OL Gerald Perry.

SAN FRANCISCO—Signed DE Marvin Washington to 1-year contract.

THE WEEK AHEAD

SATURDAY, AUG. 23

ARCHERY, Victoria, Canada — World Target Championships, to Aug. 23.

CRICKET, Colombo, Sri Lanka — Sri Lanka vs. India, third one-day international; London — England vs. Australia, sixth test, to Aug. 25.

GOLF, Men: Dublin, Ireland — European Open, to Aug. 24; Akron, Ohio — NEC World Series of Golf, to Aug. 24; Surrey, British Columbia — Greater Vancouver Open, to Aug. 24. Women: Beavercreek, Ohio — Star Bank LPGA Classic, to Aug. 24; Mishima — Caterpillar-Mitsubishi Ladies, to Aug. 24.

RUGBY UNION, Pretoria, South Africa — Tri-Nations, South Africa vs. Australia.

SWIMMING, Seville, Spain — men, women, European championships, to Aug. 24.

TENNIS, men: Boston, Massachusetts — U.S. Pro Championships, to Aug. 24. Commack, New York — Waldbaum's Hamlet Cup, to Aug. 24. women: Atlanta — U.S. Hardcourt Championships, to Aug. 24.

WORLD UNIVERSITY GAMES, Palermo, Sicily — to Aug. 31.

SUNDAY, AUG. 24

ATHLETICS, Cologne, Germany — Cologne Weltklasse; Reykjavik, Iceland — Reykjavik Marathon.

AUTO RACING, Spa-Francorchamps, Belgium — Formula One, Belgian Grand Prix.

SOCCER, Bratislava, Slovakia — World Cup Qualifying, Slovakia vs. Czech Republic; Washington — CONCACAF Champions Cup final.

CYCLING, Geneva, Switzerland — World Cup, GP Suisse.

MONDAY, AUG. 25

TENNIS, New York — U.S. Open Tennis Championships, to Sept. 7.

TUESDAY, AUG. 26

ATHLETICS, Berlin — IAAF, Grand Prix, ISTAF '97 (class I), Carl Lewis farewell.

SOCCER, Various sites, Switzerland — UEFA Cup, second qualifying round, return leg.

WEDNESDAY, AUG. 27

CYCLING, Perth, Australia — World track Championships, to Aug. 31.

SOCCER, Various sites — European Champions Cup, second qualifying round, return leg.

THURSDAY, AUG. 28

GOLF, Men: Munich, Germany — BMW International Open, to Aug. 31; Milwaukee — Greater Milwaukee Open, to Aug. 31; Ibaraki-ma, Japan — Hisamitsu KBC Augusta, to Aug. 31.

SOCCER, Various sites — European Cup Winners Cup, qualifying round, return leg.

FRIDAY, AUG. 29

AUTO RACING, Helsinki, Finland — 1,000 Lakes Rally of Finland, to Aug. 31.

GOLF, Men: Midway, Pennsylvania — Pittsburgh Senior Classic, to Aug. 31; Women: Narita, Japan — Goya Kenseisa Ladies Cup, to Aug. 31.

SOCCER, Nyon, Switzerland — draw for European Champions Cup group matches, first-round pairings for European Cup Winners Cup and UEFA Cup.

WRESTLING, Krasnoyarsk, Russia — men, Freestyle World Championships, to Sept. 1.

SATURDAY, AUG. 30

AUTO RACING, Dallas — IMSA, Grand Prix of Dallas.

CYCLING, Houffalize, Belgium — World Cup, to Aug. 31.

GOLF, Women: Springfield, Illinois — State Farm Rail Classic, to Sept. 1.

ROWING, Aiguebelette, France — World Championships, to Sept. 8.

SOCCER, Windhoek, Namibia — international friendly, Namibia vs. Zambia.

SUNDAY, AUG. 31

AMERICAN FOOTBALL, New York — NFL regular season begins.

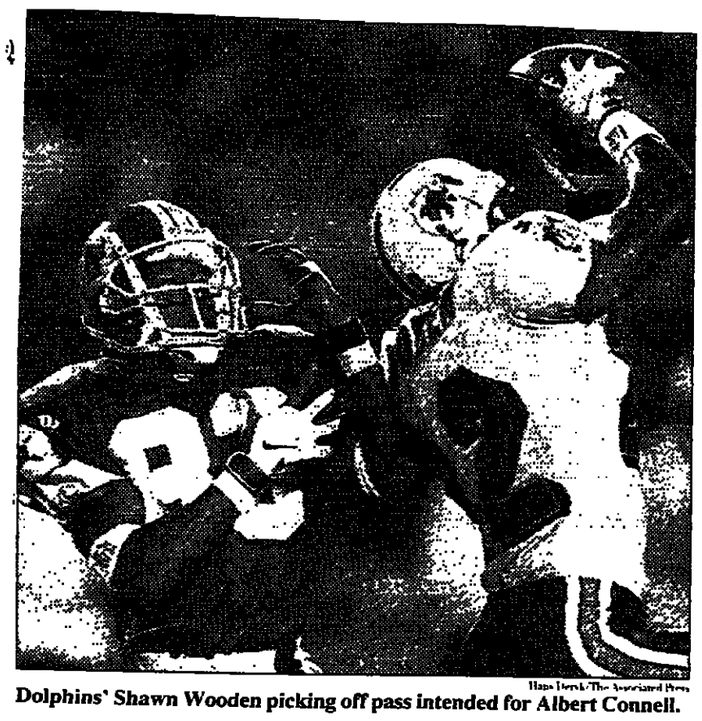
AUTO RACING, Vancouver, British Columbia — CART, Indy-car, Molson-Indy Vancouver; Darlington, South Carolina — au-Southern 500.

GOLF, Munich, Germany — Seve Ballesteros announces final team for European Ryder Cup team.

GYMNASTICS, Lausanne, Switzerland — men, women, World Championships, to Sept. 7.

MOTORCYCLE RACING, Brno, Czech Republic — Czech Republic Grand Prix.

SPORTS



Hans Deryk/The Associated Press

Dolphins' Shawn Wooden picking off pass intended for Albert Connell.

Dodgers and Mets Keep Spinning Their Wheels

The Associated Press

A doubleheader split didn't help the Los Angeles Dodgers or the New York Mets.

"It's hardly the ideal situation," said the Mets' catcher, Todd Hundley, after New York beat Los Angeles, 3-1, Thursday to stop a four-game losing streak, then lost the second game, 4-3. "We've got to try to stay close and be more consistent."

BASEBALL ROUNDUP

Los Angeles remained two games behind first-place San Francisco in the National League West. New York, which lost the series opener Tuesday, has dropped 9 of 12 and is 5½ games behind Florida in the wild-card race.

"Sure, it would have been nice to win both, and we had opportunities to," said the Dodgers' Todd Zeile, who drove in three runs in the second game after getting ejected for arguing in the opener. "But at least we won the series."

The Dodgers won mainly because of Chan Ho Park, who got his eighth victory in nine starts. He drew many Korean fans to Shea Stadium and got some of the biggest cheers of the night.

"It feels absolutely like a home game," said Park (13-6), who gave up three runs and six hits in 6⅔ innings and struck out six. He has lost just once since June 27.

"You can see his confidence build," said the first-game loser, Tom Candiotti (9-5). "It's gaining speed."

New York put runners at the corners with one out in the eighth, but Darren Hall got Matt Franco, pinch-hitting, to ground into an inning-ending double play. Todd Worrell finished for his 31st save in 38 chances.

The Mets' starter, Rick Reed (10-7), allowed all four runs and six hits in six innings.

In the opener, Joe Crawford shut down Los Angeles in his first major league start, and Carlos Baerga hit a two-run homer.

Crawford (2-1) allowed one run and three hits in six-plus innings, giving up Mike Piazza's 28th homer in the seventh.

"I've been wanting to give Joe a chance to start," said Bobby Valentine, the Mets' manager, who made the decision after Wednesday night's game was rained out. "With all their right-handed hitters, I thought he was going to be O.K."

Crawford, who relies on a changeup, made 12 relief appearances before getting the start. And he was especially pleased that Valentine turned to him with the team in a funk.

Greg McMichael escaped a two-on, none-out jam in the eighth, getting a break when Nelson Liriano forced the lead runner at third on his sacrifice attempt. John Franco pitched the ninth for his 31st save in 36 chances.

"You've got to execute the bunt, and a veteran player didn't do it," said the Dodgers' manager, Bill Russell.

The Mets' Rey Ordonez made a spectacular backhand play on a sixth-inning grounder, throwing out Eric Young from deep shortstop while on one knee.

Astros 10, Rockies 4 The Killer B's all delivered as Houston beat Colorado at the Astrodome.

Jeff Bagwell and Craig Biggio each homered, Sean Berry had a two-run double and Derek Bell had his fourth straight multihit game.

Ellis Burks homered for the Rockies. Larry Walker set a career-high with his 102d RBI, one more than he had in 1995.

Padres 9, Pirates 4 Steve Finley and Greg Vaughn both ended slumps with home runs as visiting San Diego stopped Pittsburgh's three-game winning streak.

Finley, in an 11-for-67 rut, drove in three runs. Vaughn, in a 1-for-19 skid that included eight strikeouts, had three hits.

Ken Caminiti hit his 17th home run and Tony Gwynn had a sacrifice fly, giving him 101 RBIs.

Expos 3, Cardinals 2 Mike Johnson earned his first major-league victory, combining with Anthony Telford and Ugueth Urbina on a two-hitter as host Montreal beat St. Louis.

Johnson (1-1), a 21-year-old Canadian, was acquired July 31 from Baltimore for a player to be named.

Johnson also got his first big-league hit and scored the go-ahead run in the fifth inning on Mike Lansing's two-run double.

In American League games:

Yankees 4, Angels 3 Tino Martinez became the first Yankees player to hit 40 home runs since Reggie Jackson in 1980, and New York beat Anaheim in the 12th inning on Derek Jeter's single.

Jeter's infield hit scored Joe Girardi, who bunted for a single with two outs against Pep Harris (2-3) and moved up on a single by Rey Sanchez. The Yankees won for the 10th time in 13 games.

The Angels have lost six of seven. Tony Phillips, playing for Anaheim for the first time since being arrested Aug. 10 on a felony charge of cocaine possession, went 2-for-3 with three walks.

Martinez tied Seattle's Ken Griffey Jr. for the major league lead in homers, connecting with two outs in the 11th off Darrell May. Martinez leads the majors with 119 RBIs.

Mariners 7, Indians 6 Roberto Kelly, acquired a day earlier from Minnesota for a player to be named, had two hits and scored a run in his Seattle debut.

Kelly singled to set up Edgar Martinez's tiebreaking, two-run double in the fifth inning at the Kingdome. Kelly batted second while Alex Rodriguez, who homered, was moved to fifth in the order.

Athletics 13, Red Sox 6 Jason Giambi, Ernie Young, Jason McDonald and Jose Canseco all homered in the third inning, marking just the 40th time in major league history that a team has connected four times in an inning.

Mark Bellhorn, who went 4-for-4, and Scott Spiezio also homered for Oakland. Boston last allowed six home runs in a game in 1980.

Orioles 4, Royals 3 Rafael Palmeiro hit a two-run double in the first inning and scored on Cal Ripken's single in the eighth as Baltimore beat Kansas City.

The Orioles improved the best road record in the majors to 44-22.

Randy Myers, the sixth Oriole pitcher, earned his team-record 38th save.

Tigers 2, Brewers 1 Tony Clark drove in the go-ahead run with a grounder in the 12th inning, and Detroit won at Milwaukee.

Bobby Higginson and Travis Fryman singled with one out off Bob Wickman (6-6). Clark followed with a high bouncer to second baseman Fernando Vina, who could only get an out at first base.

White Sox 6, Blue Jays 3 Frank Thomas hit a two-run homer and host Chicago won its third straight game.

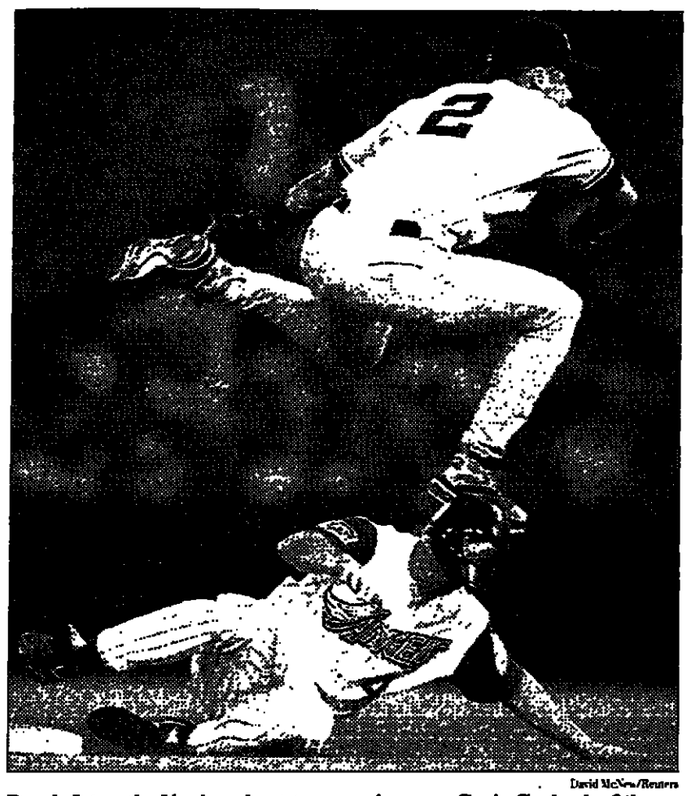
Thomas, leading the AL in batting at .347, hit his 29th home run. He has 38 RBIs in 40 games since the All-Star break.

■ AL Investigates Irabu Incident

The American League is investigating an incident in Wednesday night's game between the Yankees and the Anaheim Angels in which the Yankee pitcher, Hideki Irabu, was called for a balk, The New York Times reported.

The Yankees' third baseman, Charlie Hayes, told teammates that the second-base umpire, John Hirschbeck, who made the call, made a profane comment about Irabu's nationality, an accusation that Hirschbeck strongly denied.

"It did not happen," Hirschbeck said. "'Japanese' was never said. I did cuss. That's part of the game. But I never said anything racially. On the lives of my family, that is the truth."



David McNew/Reuters

Derek Jeter, the Yankee shortstop, soaring over Craig Grebeck of the Angels to complete a double play as New York edged Anaheim by 4-3.

Dolphins' 3 Interceptions Help Steamroll Redskins

The Associated Press

MIAMI — The Miami Dolphins couldn't have asked for much more from their 28-7 exhibition victory over the Washington Redskins.

The Dolphins jump-started their struggling running game Thursday night, came up with three interceptions and got the big play coach Jimmy Johnson had been looking for.

Charles Jordan ran back a punt 96 yards for one score and rookie Sam Madison picked up a fumble and scrambled 58 yards for another.

NFL ROUNDUP

Washington committed five turnovers in the first half and looked far from ready for the regular season from either the starters or the backups.

Two very weak passes by Gus Frerotte landed in the hands of Dolphins defenders in the first quarter. Tim Jacobs caught the first interception at the Miami goal line, halting Washington's most impressive drive of the game on its first possession.

The Redskins scored their only touchdown with 7:36 left in the game when Albert Connell caught a 20-yard pass from Trent Green.

The drive was set up by an interception by Keith Thibodeux.

Miami averaged just 73 yards rushing in four previous exhibition games, but had 76 yards in the first half alone against Washington and finished with 144 yards on 41 carries.

Colts 16, Lions 3 Coming off the worst exhibition loss in franchise history — a 45-3 drubbing a week ago in Seattle, the Indianapolis Colts felt a challenge.

"We had to come back as a team," said Sean Dawkins, who caught four passes and scored a second-quarter touchdown as host Indianapolis defeated Detroit Lions, 16-3, in the final exhibition game for both teams.

Dawkins was one of several Colts who didn't play at Seattle because of injuries. Wide receiver Aaron Bailey and linebacker Quentin Coryatt were two other returnees.

"It felt good going out there and playing again," said Coryatt, who played for the first time this year after sustaining a groin injury early in training camp.

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Coach Dave Wannstedt has named Erik Kramer as the Chicago Bears' starting quarterback, giving him the nod over recently acquired Rick Mirer. The Bears also gave Mirer a three-year, $10 million contract extension that included a $2.6 million signing bonus.

•

Receiver Michael Westbrook missed Thursday's exhibition game against Miami as punishment for punching teammate Stephen Davis. Westbrook didn't attend the team's annual Welcome Home luncheon Wednesday.

•

The NFL fined the Carolina Panthers linebacker Lamar Lathon $20,000 for his hit to the face mask of Kansas City quarterback Rich Gannon a week ago.

Can Fans and Fortune Spoil Brett Favre? Not Yet

By Mike Freeman
New York Times Service

TORONTO — Everyone stares. Is that . . . ? No, can't be. Isn't Brett Favre taller?

In Green Bay, Wisconsin, he's the Man. More popular than Vince Lombardi, able to leap into the Lambeau Field stands in a single bound.

He has always been on top of the tundra, but now the Favre phenomenon has gone global.

If Favre was popular before Green Bay beat the New England Patriots in Super Bowl XXXI, he is now the Elvis of the National Football League. It has been a rip-roaring, money-making offseason for Favre, the most valuable player of the Super Bowl. His wallet is fatter.

People want him at their charity events, their golf tournaments, book signings. Everyone wants a piece.

As a quarterback, he is at the top of his game. As an ambassador for the NFL, his impact is much larger.

His recent trip to Canada for an exhibition game began at a mass news conference a week ago.

The reporters grilled him. After the news conference, Favre threw a pass to a couple of kids, who lighted up like Christmas trees. And he signed dozens of autographs, ignoring no one.

Some sports agents estimate that Favre has already made $2 million to $3 million from endorsements and other deals. That is in addition to a seven-year, $47.5 million contract that included a $12 million bonus he signed in the off-season.

All that money, but here he was at a news conference, wearing a white polo shirt, tattered blue jeans and beat-up canvas shoes.

But that's who Favre is. A millionaire, yes, but someone almost anyone can speak with, be comfortable with.

Favre has tried hard to stay the same person who likes to fish, watch television and just play football.

"That's probably the hardest part — staying yourself," Favre said in an interview. "There are so many demands on my time that sometimes I just want to stay on the golf course all day and talk to no one. But I'm not going to change who I am. The only thing I'm going to do is be more cautious because now it seems that more people around the country and around the world know who I am because of the Super Bowl.

"What I do now is stay around the house more. I play a lot of golf."

"Has he changed? Are you kidding me?" the Packers' coach, Mike Holmgren, said. "I had to beat on him to get him to buy a nice pair of shoes for this trip. He really hasn't changed at all. The thing about Brett is that he has a heart of gold."

He stays the same, despite the money, the fame, book deals.

Oh, the book.

"The book thing, ugh!" Holmgren said. "We haven't talked about it yet but he knows it's coming. I think the book is going to stick to him for a long, long time."

"The Book Thing" as the Packers are calling it is actually a reference to Favre's book, "Favre: For the Record," which is scheduled to be published next month. To say it is controversial is an understatement.

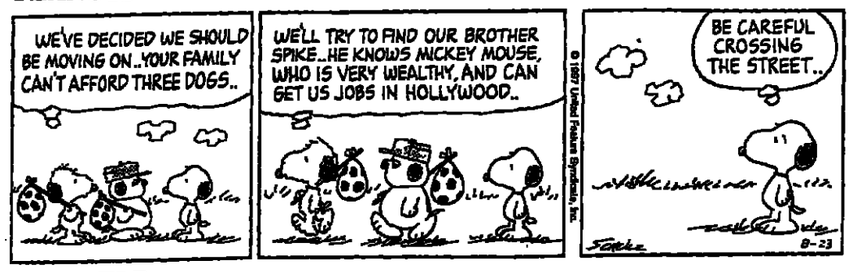
"It takes a brave man to write the stuff he did," said Reggie White, one of Favre's teammates.

Favre admitted his addiction to painkillers, mainly Vicodin, and his use of alcohol.

DENNIS THE MENACE

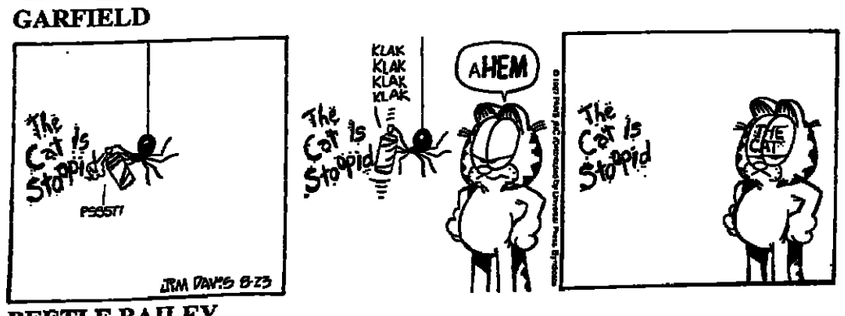
"DID YOU SEE THAT THE WALKERS ARE USING THE DODGERS' THIRD-BASE COACH'S SIGNS?"

PEANUTS



CALVIN AND HOBBES

GARFIELD



WIZARD of ID

BEETLE BAILEY

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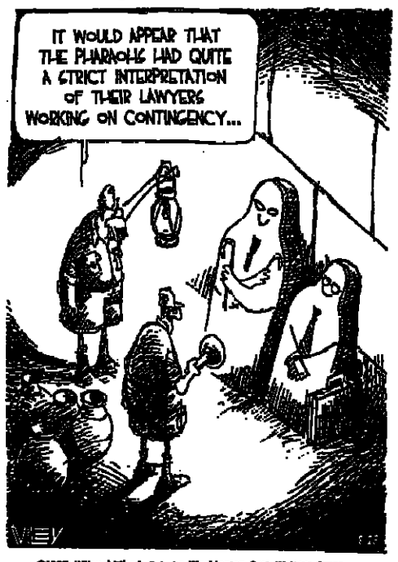

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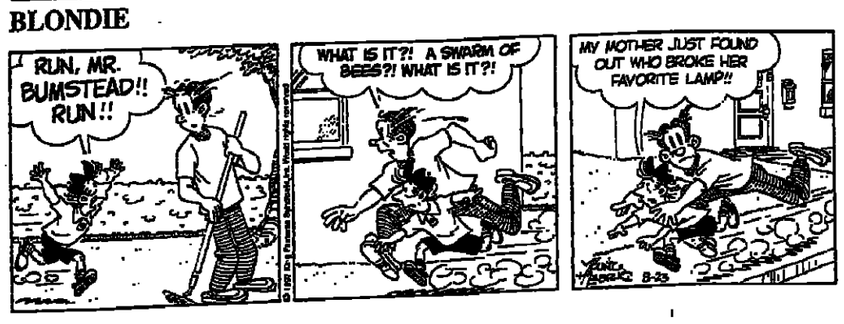

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ROWNC

RASEE

HODISM

DESSUR

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( )

(Answers Monday)

Yesterday's Jumbles: ROUSE PEONY MISERY SHANTY
Answer: A poor way to buy property – SITE UNSEEN

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DAVE BARRY

Here's Mud in Your Ear!

MIAMI — Recently I spent several days touring the California wine country, and I must say that it was a wonderful experience that I will remember until long after I get this mud out of my ears.

I'll explain the mud in a moment, but first I should explain that the wine country is an area near San Francisco that is abundantly blessed with the crucial natural ingredient that you need to have a successful wine country: tourists. There are thousands and thousands of them, forming a dense continuous stream of rental cars creeping up and down the Napa Valley, where you apparently cannot be a legal resident unless you own a winery named after yourself. Roughly every 45 feet you pass a sign that says something like "The Earl A. Frebblemunster And His Sons Earl Jr. And Bud, But Not Fred. Who Went Into The Insurance Business, Winery."

When you see a winery that you like, you go inside for wine-related activities, which are mainly (1) tasting wine, and (2) trying to adopt thoughtful facial expressions so as to appear as though you have some clue as to what you are tasting. Some wineries also give guided tours wherein they show you how wine is made.

Wine is bottled and transported to the Pretentious Phrase Room.

The process starts with the grapes, which ripen on vines under the watchful eyes of the head wine person (or "poisson de la tete") until exactly the right moment, at which point they form a huge swarm and follow the queen to the new hive location.

No, wait, I'm thinking of bees. When the grapes are ripe, they're harvested and stomped on barefoot by skilled stompers until they (the grapes) form a pulpy mass (called the "fromage") which is then discarded. Then the head wine person drives to the supermarket and buys some nice hygienic bunches of unstomped grapes, which are placed in containers with yeast — a small but sexually active fungus — and together they form wine.

The wine is then bottled and transported to the Pretentious Phrase Room, where professional wine snots perform the most critical part of the whole operation: thinking of ways to make fermented grape juice sound more complex than nuclear physics. For example, at one winery I sampled a Pinot Noir (from the French words *pinot*, meaning "type of," and *noir*, meaning "wine") and they handed me a sheet of paper giving many facts about the wine, including something called the "Average Brix at Harvest"; the pH of the grapes; a detailed discussion of the fermentation (among other things, it was "malolactic"); the type of barrels used for aging ("100 percent French tight-grained oak from the Vosges and Allier forests"); the type of filtration (it was "a light egg-white *fining*"); and of course the actual nature of the wine itself, which is described — and this is only part of the description — as having "classical Burgundian aromas of earth, bark and mushrooms; dried leaves, cherries; subtle hints of spice and French oak"; and of course the flavor of "blackberry, allspice, cloves, vanilla with nuances of plums and toast."

Yes! Nuances of toast! I bet they exchanged high fives in the Pretentious Phrase Room when they came up with that one!

At another winery, I stood next to some young men — they couldn't have been older than 22 — who were tasting wine and making serious facial expressions and asking a winery employee questions such as: "Was '93 a good year for the cabernets?" I wanted to shake them and shout, "What's WRONG with you!? When I was your age, I was drinking Sunshine Premium brand beer (motto: "Made From Ingredients") at $2.39 a CASE!"

Needless to say these young men also had cigars. You have to worry about where this nation is headed.

Anyway, the other major tourist thing to do in wine country is to go to a town called Calistoga and take a mud bath, which is an activity that I believe would be popular only in an area where people have been drinking wine. My wife and I took one at a combination spa and motel, where we were met by a woman who said, I swear, "Hi, I'm Marcie, and I'll be your mud attendant."

Marcie led us into a room containing two large tubs filled to the brim with what smelled like cow poop heated to 104 degrees. We paid good money to be allowed to climb into these things and lie there sweating like professional wrestlers for 15 minutes. Marcie — who later admitted that she had done this only once herself — said it was supposed to get rid of our bodily toxins, but my feeling is that from now on, if I have to choose between toxins and hot cow poop, I'm going with the toxins.

But I have to say that once I got out of the mud, I felt a great deal better than when I was in the mud, and I am confident that one day, if I take enough showers, people will stop edging away from me on the elevator. So let me just close by saying that, although I have made some fun of the wine-country experience here, I really do feel, in all sincerity, that "Pinot Noir and his Nuances of Toast" would be a good name for a band.

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Melodrama and the 'Love-Addiction Thing'

By Joan Dupont
International Herald Tribune

LOCARNO, Switzerland — At the 50th edition of this movie lover's festival in Locarno, a group of American auteurs turned out for a retrospective of their favorite films.

Martin Scorsese goes for Jacques Tourneur's black western, "Canyon Passage," according to a book published for the occasion. Gus Van Sant admires Robert Redford's "Ordinary People," macabre Abel Ferrara was touched by Woody Allen's "Zelig," and Allison Anders, who started out with "Gas, Food, Lodging," about a dislocated family, thrilled to Douglas Sirk's melodrama of stifling togetherness, "There's Always Tomorrow."

"I like that movie so much I'm thinking of remaking it," says Anders, who does not look like somebody who delves in dark melodrama — vivid red hair and lipstick, with tattoos and buoyant in shorts and sneakers. "I've gotten scripts for remakes of 'Strangers on a Train' and 'Gloria.' Who wants to remake a Hitchcock or a Cassavetes? But Sirk wasn't entirely happy with this film, so I feel maybe I can do something. His brilliance was knowing where to put the camera."

Made in 1956, two years after Anders was born, "There's Always Tomorrow" is about a neglected husband (Fred MacMurray), a cold wife (Joan Bennett) and the woman he loves (Barbara Stanwyck).

"Amazing how Sirk, a European, got the 1950s American family down to perfection," she said. "It's so beautifully sad and subtle: Melodrama is all about holding back — I learned that from Martin Scorsese who is always asked why Daniel Day Lewis doesn't leave his wife in 'The Age of Innocence.' But the culture made it impossible."

Anders who grew up in Kentucky, says she became aware of the history of American films through European filmmakers; after graduating from UCLA film school, she went to work on Wim Wenders's "Paris, Texas."

"But as a kid, I watched old melodramas with my grandmother," she said. "The first film I hooked into with my idea of romantic love was 'A Stolen Life.' Bette Davis plays twin sisters. One is sensitive, artistic: the other, a tarty party girl, gets the boy."

Yes, she laughs, "I sure have sisters in my movies; I'm the first of three sisters. I have a very competitive relationship with my middle sister and an easy-going one with my little sister, who works for me; she's my assistant, nanny, gardener."

Anders made her first ultra-low-budget feature, "Border Radio," when Jim Jarmusch was doing "Stranger Than Paradise." "And in 'Gas, Food, Lodging,' I named the town Laramie, New Mexico, to honor Anthony Mann, who had always shot in New Mexico. So we have the immediate, obvious influence of European cinema, with the benefit of American influence — I see it in Jarmusch too."

Allison Anders says she became aware of the history of American films through European filmmakers.

Anders went on to make "Mi Vida Loca," about Latina gang girls in Los Angeles, then "Grace of My Heart," about a singer-songwriter's struggle and rise, which Scorsese helped produce. "I've been very fortunate to have two amazing artists as my mentors. I had Wim and I have Marty. Wim was the person who made me want to make movies. I wrote him fan mail for a year and a half, and eventually he called and said he wanted to see my film. It was the first movie I made at UCLA."

She had won a grant, saying that she was going to work on "Paris, Texas." "I told him I had lied, and he said, well, I guess you have to come work with me. Wim is so generous and, yes, almost puritanical, which Sirk is too — only the kids in his movies are more puritanical still." Anders, who has three children, girls of 23 and 20, and an adopted boy, 7, finds her own kids "very judgmental."

"In my generation, we said, now we'll have three different father figures for you, and several mother figures," she said. "But this '50s thing has come back with a vengeance, with this intense focus on the family unit. The return of the housewife is scary; these professional women are going back to the home because they don't trust anybody to raise their baby. They've wrestled their career to the ground and these control freaks are going to run the home like that?

"So here we have Fred MacMurray again, the husband who is not having intimacy with his wife because she's enmeshed with the child — she never gives the baby a minute's rest! These women have little time for their sex life, the husband is neglected, and his kids don't relate to him either."

She has always been obsessed with what she calls "this love-addiction thing." "When you have two people in a low-intensity relationship, you have to start something somewhere else to keep that marriage going. Until recently, I thought Sirk's ending in 'There's Always Tomorrow' was just a compromise to keep the couple together. Then I realized it makes perfect sense because the mother has created her intensity with the child and so the father creates a romantic, intimate, soulful relationship outside the marriage — it doesn't have to be sexual."

Anders, the recipient of a MacArthur grant, feels she has been lucky to get to work again in a field where there are few women. "You can do the big comedies, they let women be funny, but there aren't too many of us doing films with vision."

She says her association with Scorsese on "Grace of My Heart" was amazing. "And he turned me on to Frank Borzage." Another European-American filmmaker, Borzage was famous for "Humoresque" (1920), "A Farewell to Arms" (1932), "Three Comrades" (1938), "and wonderful movies that showed how people can't really be together unless they've resolved things in the past, particularly pain that has to do with family tragedy."

"These guys — Sirk and Borzage — formed my feelings about families and romantic love, which I think films should do," she said. "If they don't throw some kind of light on your life, what's the use?"

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PEOPLE

TO tile or not to tile? That is the question in Los Angeles, where preservationists fear the Hollywood Walk of Fame could crumble under a construction project. Part of Hollywood Boulevard is being torn up for a subway, and that could affect 122 of the 2,095 bronze stars, names and medallions set in squares of terrazzo tile. What would **Martha Raye** say? Or **Danny Kaye**? Or **Johnny Weissmuller** of Tarzan fame? Theirs are among the stars that would lose tiles to the jackhammer.

□

Princess Diana and the man said to be the new love in her life have jetted off for their third holiday together in five weeks. London newspapers said Friday that Diana, 36, and **Dodi al Fayed**, 42, were joining his father, **Mohamed al Fayed**, in the south of France and would again be cruising on the family's yacht, Jonikal — now dubbed the "loveboat." The Mirror quoted "close friends" as saying the couple were laughing off claims by **Kelly Fisher**, an American model, that she had been jilted by the Harrods heir for the divorced princess. Meanwhile, the woman who replaced Diana in the affections of **Prince Charles**, **Camilla Parker Bowles**, was reported to be leaving for a holiday in Spain. But while Di and Dodi flew to Nice on a Harrods Gulf Stream jet, Camilla was said by the Evening Standard to have booked a cheap charter flight to Malaga.

□

Robert De Niro has fallen in love with the tiny island of Filicudi off the coast of Sicily, according to Italian newspapers. The food may be part of it. De Niro and his entourage dined on a mouthwatering array of Sicilian seafood at a local restaurant: fresh tuna ravioli, wild fennel risotto, swordfish, tuna sausage, octopus with eggplant, and stuffed squid — all washed down with white wine. De Niro, whose new movie, "Cop Land," will be featured at the Venice film festival, which begins next week, was so taken with the wild beauty of remote Filicudi, the reports said, that he anchored his yacht there and rented a villa.

Cars from the "Cadillac Ranch" being reburied in Texas.

The bride marched down the aisle in satin and pearls, past the potato chips, cookies and $3.99 shirts. Her groom awaited her in the floral department. And so **Dennis Lee** and **Clara Mae Ambra** were married at the Big Y supermarket in Springfield, Massachusetts, where he first popped the question. As shoppers gaped, the couple exchanged vows in front of the market's wooden bench where he proposed three months ago. "He couldn't wait," said the bride. "He's very romantic."

□

"Cadillac Ranch" near Amarillo, Texas, has been dug up to avoid urban sprawl. The Pop Art ensemble — 10 graffiti-covered cars buried in a wheat field — was moved down the road a piece by its millionaire owner, **Stanley Marsh**, to escape the westward expansion of the Panhandle town. "Cadillac Ranch," created in 1974, was eulogized in a **Bruce Springsteen** song.

□

Tough times have fallen on Malibu, the wealthy California enclave that has weathered five disasters in six years. "We're pretty much close to broke," said **Arnold York**, publisher of the Malibu Times. How could this be in a community of homes owned by people like **Johnny Carson**, **Sylvester Stallone**, **Frank Sinatra**, **David Geffen**, **Jeffrey Katzenberg**, **Bruce Willis** and **Janet Jackson**? "If you look at the history of Malibu, it's about fires, mudslides and floods," said planning commissioner **Tom Hasse**. "One good storm," York said, "and the Malibu Pier could be sitting in somebody's living room on Pacific Coast Highway."

A Grand Hotel, the Adlon, Reopens in Berlin

Agence France-Presse

BERLIN — Fifty-two years after it was gutted by a mysterious fire, Berlin's legendary Adlon hotel, which housed such illustrious guests as Greta Garbo and Charlie Chaplin, has risen from the ashes to reopen on Saturday.

Devastated by fire five days before the end of World War II, the Adlon, situated a few hundred meters from Hitler's chancellery, had hitherto miraculously escaped damage, despite British and U.S. bombs that flattened the surrounding city.

The new Adlon has been rebuilt by the Kempinski hotel group for 435 million Deutsche marks ($235 million) on the original site at Pariser Platz, opposite the historic Brandenburg Gate.

Although the fire was never officially explained, it is believed that it may have been started when drunken Russian soldiers ransacked the Adlon's wine cellar in May 1945.

"The war never made it into the hotel, where everything was as normal," recalls Walter Storz, the Adlon's receptionist from 1939 to 1945. "We had electricity up to the end, champagne, fresh lobster and even Coca-Cola."

Built in 1907, the Adlon inspired Vicky Baum to write "Grand Hotel," which was made into a movie starring Garbo, herself an Adlon guest. Other notables at the original hotel were Albert Einstein and Thomas Mann.

Even during the 12-year Nazi reign, within the confines of the Adlon guests always came first. Admiral Karl Doenitz, chief of the German Navy and Hitler's successor for a few days, was so impressed he decided to buy the hotel bed he had slept in.

"He said he had never slept so well for weeks," Storz said. "I called Mr. Adlon and he said: 'If he wants a bed, we will provide one.'"

Storz met them all: capricious guests, princes and diplomats, who frequented the hotel amid strict etiquette and extreme refinement.

For Storz it could not have been otherwise. The Adlon, owned by Louis Adlon, was the capital's top address.

Nazi leaders and their henchmen were instead seen at the Kaiserhof hotel, opposite the chancellery.